Hungary¹

András Gábos (TÁRKI Social Research Institute) and Zsuzsanna Makay (Hungarian Demographic Research Institute, HDRI)

April 2020

For comparisons with other countries in this review on leave provision and early childhood education and care services, please see the <u>cross-country tables</u> at the front of the review (also available individually on the Leave Network website). To contact authors of country notes, see the <u>members page</u> on the Leave Network website.

1. Current leave and other employment-related policies to support parents

Note on terminology: the Hungarian terms for the two elements of the Parental leave arrangements discussed in 1.c. (GYES and GYED) include the word *gondozás*, that is 'care'. By contrast, GYET - available for families with at least three children, after the youngest child is older than three years of age (see 1.d.) - includes the word *nevelés*, that is 'upbringing'. The Hungarian terms for these three leave arrangements (1.c. and 1.d.) literally refer only to the payment element, although, in practice, they cover both leave periods and cash benefits (e.g. GYES is *Gyermekgondozást segítő ellátás*, literally 'allowance to support childcare'²). The payment related to Maternity leave, has been re-named as 'infant care payment' (CSED – *Csecsemőgondozási díi*) in 2015.

a. Maternity leave (*csecsemőgondozási díj,* CSED) (responsibility of the Ministry of Human Capacities)

Length of leave (before and after birth)

 24 weeks: up to four weeks prior to birth. Two weeks are obligatory.

Please cite as: Gábos, A and Makay Zs. (2020) 'Hungary country note,' in Koslowski, A., Blum, S., Dobrotić, I., Kaufman, G. and Moss, P. (eds.) International Review of Leave Policies and Research 2020. Available at: http://www.leavenetwork.org/lp_and_r_reports/

² The name of GYES has been slightly modified since 2016, while keeping the acronym (previously *Gyermekgondozási segély*).

Payment (csecsemőgondozási díj) and funding

- 70 per cent of actual average daily earning, with no upper limit on payments. In cases when there has been previous employment (i.e. the pregnant woman is eligible), but no actual income can be determined on the first day of eligibility (e.g. the pregnant woman is on sick leave for several months, or is self-employed and does not have an actual income), the payment is twice the daily amount of the official minimum wage. In this case, the payment is made by the Treasury, not by the National Health Insurance Fund (NHIF).
- CSED is treated as gross income and taxed at 15 per cent, but family tax credit can be applied; social security (health and pension insurance) contributions are not deducted from the gross amount of CSED.
- Funded by the NHIF (National Health Insurance Fund), which is financed through contributions from employers, employees, and general taxation: employers and employees both pay six per cent of gross earnings.

Flexibility in use

• The starting date can be from four weeks prior to the birth up to the date of birth itself.

Eligibility (e.g. related to employment or family circumstances)

- All mothers are entitled to 24 weeks' unpaid Maternity leave.
- Employees and self-employed women with an employment record of at least 365 days within two years prior to the birth of a child (and the birth is no later than day 42 after the end of employment) are entitled to the benefit payment during the period of Maternity leave. The 365-day period may include: 180 days of secondary or tertiary school attendance, duration of CSED or GYED (excluding diplomás GYED).
- Beyond the employment criteria, citizenship is not linked to eligibility.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother

- If the new-born is cared for in an institute for prematurely born infants for one year, the unused portion of Maternity leave can be taken after the child is home.
- Guardians who care for the child are eligible.
- The father (birth or adoptive) is eligible if the mother dies or is not present in the household due to health-related reasons.

b. Paternity leave³ (responsibility of the Ministry of Human Capacities)

Length of leave

• 5 days.

Payment and funding

- 100 per cent of father's average daily wage, with no upper limit on payments.
- Funding is the same as for Maternity leave.

Flexibility in use

• Leave can be taken during the first two months of the child's life.

Eligibility (e.g. related to employment or family circumstances)

- All employed fathers. As same-sex couples are neither allowed to marry nor to adopt, they are not eligible for Paternity leave as a couple.
- There are no conditions linked to length of service.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the father.

7 days in case of twins.

c. Parental leave (responsibility of the Ministry of National Capacities)

There are two types of leave and benefit: (1) for insured parents, *Gyermekgondozási díj* (GYED); and (2) for non-insured parents, *Gyermekgondozást segítő ellátás* (GYES). Both are family entitlements.

Length of leave

- GYED: from the end of the Maternity leave period until the child's second birthday, for insured parents.
- GYES:

_

³ Paternity leave has no separate name in Hungarian; it is just listed as one of the eligible reasons for leave days in the Code of Labour legislation.

- a. From the end of GYED (child's second birthday) until the child's third birthday, for insured parents.
- b. From birth until the child's third birthday for parents who are not insured.

Payment and funding

- GYED: benefit of 70 per cent of average daily earnings calculated for the last 180 days prior the birth, up to a limit of 70 per cent of twice the minimum daily wage (HUF161,000 [€465.86]⁴ per month; the amount of the benefit is a maximum of HUF225,288 [€651.88]). This is a gross amount: income tax and pension contribution are deducted, but family tax credit can be applied. Funding is the same as for Maternity leave.
- GYES: until the child's third birthday, a flat-rate benefit equal to the amount of the minimum pension, HUF28,500 [€82.47] per month. This is a gross amount from which pension contribution is deducted. For multiple births, 200 per cent of this amount is paid in the case of two children; 300 per cent for three children; then there are similar increases for additional children. Funded by the Treasury from general taxation.

Flexibility in use

- A parent taking GYED can work unlimited hours after the child turns six months old, while still receiving the full benefit until the child's second birthday (GYED extra). If the parent takes up GYED and works, they can still access public childcare for children under three years of age (bölcsőde).
- A parent taking GYES cannot work until the child is six months old, but can then work unlimited hours while still receiving the full benefit until the child's third birthday. If the parent takes up GYES and works, they can still access public childcare for children under the age of three years (bölcsőde).

Eligibility (e.g. related to employment or family circumstances)

- GYED: either of the parents living with the child is eligible as long as they have been employed for at least 365 days within the two years prior the birth of the child; however, only one parent at a time can actually take GYED. Foster parents are not eligible.
- GYED: women who would not be eligible under the above listed criteria, but who have completed two semesters at a higher education institution recognised by the state within the two years

Conversion of currency undertaken for 31 July 2020, using: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-huf.en.html

prior to the birth of the child (*diplomás GYED*). In this case, they are eligible for two years of payment,⁵ beginning at the birth of the child. Those studying at BA level (2020) receive a payment of HUF112,644 [\in 325.94] per month (HUF104,300 [\in 301.79] per month in 2019), while for those at MA or PhD level (2020), the payment is HUF147,420 [\in 426.56] per month (HUF136,500 [\in 394.97] per month in 2019).

- Self-employed parents are eligible if they fulfil all criteria, e.g. in the case of GYED, that they have been insured prior to the birth.
- As same-sex couples are neither allowed to marry nor to adopt, they are not eligible for Parental leave as a couple; if one of the partners has a young child, they are eligible in their own right, but their partner is not.
- GYES: all parents. Guardians are also eligible.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the parents

- GYED: The duration of the benefit lasts until the children's third birthday in the case of twins.
- GYED: can be also taken by non-pensioner grandparents, if they undertake the care and the upbringing of the child, while parents are working. One grandparent at a time can take GYED, but for more than one grandchild if the case. The amount of grandparents' GYED is the same as for parents: maximum 70 per cent of twice the minimum daily wage (HUF161,000 [€465.86] per month, which is a maximum of HUF225,288 [€651.88]).
- GYES: parents of a child with a long-term illness or disability can take leave until the child's tenth birthday (or even longer in discretionary cases); parents of twins are eligible until the children start elementary school, and receive a payment equal to the amount for one child multiplied by the number of twins.
- GYES: can be taken by grandparents from the first to the third birthday of the child, if the child is looked after in their own home, and if the parents agree to transfer their entitlement. Grandparents taking GYES can work fewer than 30 hours per week, or without limitation if the work is done in the home and the child is older than three years of age.
- If a family has another child while still receiving one of the childraising allowances for their previous child/children (GYED or GYES), they can receive both benefits, including the benefit for the new baby (CSED, GYES or GYED).

d. Childcare leave or career breaks

⁵ Since 2018. Prior to this, they were eligible for a one-year payment.

Either of the parents in a family with three or more children under 18 years of age, may take leave during the period between the third and eighth birthday of the youngest child (*Gyermeknevelési támogatás*, GYET). Benefit payments are made in the same way as for GYES. The person taking GYET can work fewer than 30 hours per week, or unlimited hours if the work is done at home. While GYES and GYED are intended to promote childbirth and support reconciliation between work and childrearing, GYET is considered an acknowledgement of parenthood as paid work and, consequently, recipients are credited with social insurance contributions.

From 1 January 2019, parents caring for a child facing long-term illness or disability may take *Gyermekek otthongondozási díja* (GYOD). The benefit is provided regardless of the age of the child. The gross amount of the benefit is HUF123,910 [€358.54] per month in 2020 (HUF100,000 [€289.35] per month in 2019). If GYOD is provided for one of the children in a family, the other parent can claim GYES for another child in the same family. If both GYOD and GYES are claimed by the same parent, the amount of GYOD is reduced by the amount of GYES. Either of the parents (adoptive or biological) is entitled to GYOD.

e. Other employment-related measures

Adoption leave and pay

• The same regulations regarding Maternity and Parental leave apply for adoptive parents as for other parents.

Time off for the care of dependants

 Gyermekápolási táppénz is part of the sick-pay system, the length of which depends on the age of the child: under one year, unlimited; 12 to 35 months, up to 84 days per child per year; 36 to 71 months, 42 days; and six to 12 years, 14 days. Single parents are entitled to a double period of leave. Leave is a family entitlement and sickness benefit is paid at 50 or 60 per cent of actual earnings up to a limit.

Flexible working

- Mothers are entitled to two paid one-hour breaks per day for breastfeeding until a child is six months old; and to one one-hour break until a child is nine months old. The number of hours is doubled in the case of twins.
- Employers are required to provide part-time employment for parents of children under three years of age if requested. By

default, this means a working time of four hours per day, but other arrangements are also possible upon the agreement of the employer and the employee. For parents with three or more children, the possibility is available until the youngest child turns five years old.

 Employed parents rearing children below 16 years of age are eligible to additional days off (for both parents): two days for one child; four days for two children; and seven days for three or more children. Since 1 January 2019, parents working in the Central Administration have doubled the amount of these days for leave.

2. Relationship between leave policy and early childhood education and care policy

The maximum period of post-natal leave available in Hungary is three years per child (except for families with three or more children, where leave can be taken until a child is eight years of age); the last year is paid at a low flat-rate, but until a child is two years old, insured parents taking leave are paid at a high earnings-related level. Attendance in ECEC (óvoda/kindergarten) from three years of age is compulsory (for at least four hours per day). Children under three years of age are also entitled to an ECEC service (bölcsőde/nursery) place if the parent studies full-time or if the child turns six months old. However, there is a shortage of spaces in Hungary: while legislation is in place, implementation varies. So, although by legislation there is no gap between the end of Parental leave entitlement and the start of an ECEC entitlement, such a gap exists in practice, due to a shortage of places in nurseries. Otherwise, there is a one-year gap between the end of wellpaid leave (GYED) and an entitlement for a kindergarten place for threeyear-olds.

Levels of attendance at formal services for children under three years of age (i.e. nurseries and other similar forms of institutional care) are well below the average of both the EU countries and the countries included in this review; however, they are above average for children over three years of age (i.e. in kindergartens). For actual attendance levels, see 'relationship between leave and ECEC entitlements' on cross-country-comparisons page.

3.Changes in policy since April 2019 (including proposals currently under discussion)

According to the government's 'Family Protection Action Plan' adopted in 2018 the grandparents' GYED has been introduced and is in place since 1 January 2020 (see above, Section 1c). In addition, the plan for

full enrolment in childcare (by 2022, 70,000 places are supposed to be available) is an ongoing process.

Policy response to the Covid-19 pandemic up to end June 2020

Childcare and schools

- According to the Government decree 45/2020 (III. 14.), from 14 March 2020, all ECEC services have been closed between 16 March and 1 to 25 June. According to the Government decree 152/2020 (IV.27), from 27 April, care for those children whose parents requested the service due to their employment (or other) duties, was allowed in all institutions and these children were looked after by the staff in small groups (no larger than 5 children).
- According to the Government decree 215/2020 (V.20.), from 20 June, all ECEC institutions outside Budapest re-opened on 25 May and all ECEC institutions in Budapest reopened on 2 June. These institutions can close until 31 August for a period no longer than two weeks.
- All school were closed starting from 16 March 2020 and they switched to digital home schooling, according to the Government decree 1102/2020 (III.13.) and were not re-opened.

Parental leave

- All regular leave options stayed unchanged during the pandemic.
 No changes were made to existing leave policies. No special leave options were implemented.
- According to the Government decree 59/2020 (III.23.), when the duration of Parental leave and of related benefits ended after the declaration of the emergency situation on 11 March 2020, they were extended until its end (18 June 2020). These benefits are:
 - the employment-related childcare fee (Gyermekgondozási díj, GYED), until the second birthday of the child (the third in case of twins);
 - the universal childcare allowance (Gyermekgondozást segítő ellátás, GYES), until the third birthday of the child (compulsory school age in case of twins);
 - the child raising support (Gyermeknevelési támogatás, GYET), from the age of three to age of eight of the youngest child.

In the case of GYED and of GYES, the extension refers to all potential recipients (e.g. grandparents, students included).

Other measures for parents and other carers

- There is no regulation for flexible working at national level in Hungary. Employers can decide themselves on an individual basis.
- o For mothers on Maternity and Parental leave, the possibility to reclaim the fees of language and driving licence courses, as well as of driving licence issue procedure was introduced from 1 July 2020 (Government decree 55/2018 (III.23.)).

4. Uptake of leave

a. Maternity leave

Statistics⁶ are only available on the number of women receiving benefits. The average number of mothers per month was 27,696 in 2018 (27,989 in 2017), which is 12.4 recipients per 1,000 women of fertile age in 2018 (12.4 in 2017). It is supposed that almost all eligible women take the leave.

b. Paternity leave

The total number of fathers taking leave during 2014⁷ was 21,914, using 109,382 days in total: i.e., most fathers taking leave used their full fiveday entitlement.

c. Parental leave

Statistics are only available on the number of recipients of the benefits and the average amount of the benefit per capita. The average monthly numbers in 2018 were: for GYED, 102,512 (97,470 in 2017), or 45.7 recipients per 1,000 women of fertile (15-49) age (43.1 in 2017); for GYES, 159,226 (164,297 in 2017), or 71.0 recipients per 1,000 women of fertile age (72.6 in 2017); and for GYET, 32,607 (32,941 in 2017), or 14.5 recipients per 1,000 of women of fertile age (14.6 in 2017). There is no information on the proportion of parents taking leave, how long they take, or on the number of fathers taking Parental leave. An estimate can be made for 2015 on the basis that 0.3 per cent of children under one year of age, 11.9 per cent of those between one and two years of age, and 55.7 per cent of those between two and three years of age were in childcare centres that year, so the remainder probably

⁶ All statistics in this section are from the Hungarian Central Statistical Office (*Központi Statisztikai Hivatal*) Yearbook of Welfare Statistics (see section 3) and HCSO STADAT online database (https://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_fsp006.html). Data of download: 27 March 2018.

No data since 2014 are available.

had a parent (most likely the mother) using one of the Parental leave options.

We do not know how many parents work either full-time or part-time while receiving one of the parental leave benefits (GYED, GYES or GYET).

In 2017, the average monthly amount per recipient of GYED was HUF142,084 [€411.12] and of GYES was HUF31,248 [€90.42].

d. Other employment-related measures

In 2018, the total number of cases on paid leave to care for a sick child was 331,200 (27.5 per cent of all paid leave cases), while the total number of paid leave days to care for sick children was 1,306,700 (4.9 per cent of all paid sick leave days).⁸

http://www.neak.gov.hu/felso_menu/rolunk/kozerdeku_adatok/gazdalkodasi_adatok/statisztikai_kiadvanyok

Statistical Yearbook 2018, National Institute of Health Insurance Fund Management, Table 1.2.4.