

ACTA UNIVERSITATIS SZEGEDIENSIS

ACTA JURIDICA ET POLITICA

Tomus LXVII.

Fasc. 9.

JÓZSEF HAJDÚ

**The legal framework of the Hungarian family
protection scheme**



SZEGED
2005

Edit

Comissio Scientiae Studiorum Facultatis Scientiarum Politicarum et
Juridicarum Universitatis Szegediensis

ATTILA BADÓ, ELEMÉR BALOGH, LÁSZLÓ BLUTMAN, PÁL BOBVOS,
LÁSZLÓ BODNÁR, ERVIN CSÉKA, JÓZSEF HAJDÚ, MÁRIA HOMOKI-
NAGY, ÉVA JAKAB, JENŐ KALTENBACH, TAMÁS KATONA, JÁNOS
MARTONYI, IMRE MOLNÁR, FERENC NAGY, PÉTER PACZOLAY,
BÉLA POKOL, JÓZSEF RUSZOLY, IMRE SZABÓ,
LÁSZLÓ TRÓCSÁNYI

Redigit
KÁROLY TÓTH



Nota
Acta Jur. et Pol. Szeged

Kiadja

a Szegedi Tudományegyetem Állam- és Jogtudományi Karának
tudományos bizottsága

BADÓ ATTILA, BALOGH ELEMÉR, BLUTMAN LÁSZLÓ, BOBVOS PÁL,
BODNÁR LÁSZLÓ, CSÉKA ERVIN, HAJDÚ JÓZSEF, HOMOKI-NAGY
MÁRIA, JAKAB ÉVA, KALTENBACH JENŐ, KATONA TAMÁS,
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PÉTER, POKOL BÉLA, RUSZOLY JÓZSEF, SZABÓ IMRE,
TRÓCSÁNYI LÁSZLÓ

Szerkeszti
TÓTH KÁROLY

Kiadványunk rövidítése
Acta Jur. et Pol. Szeged

ISSN 0324-6523 Acta Univ.
ISSN 0563-0606 Acta Jur.

Introduction*

This article¹ intends to introduce a comprehensive overview of the legal provisions of the Hungarian family protection scheme. In a wider sense support of families is based on a multi-pillar system in the Hungarian society, the elements of which are legal regulations prepared in the spirit of the Constitution. The main branches of family protection are as follows: 1) universal type benefits (family support act); 2) insurance type benefits (health insurance act), 3) assistance type benefits (social assistance act and child protection act) and tax allowance (income tax act).

Benefits available on universal basis. The recent services supporting families were re-regulated in 1998, when a new act was passed which declared that families are the basic units in society, and one of the most important tasks of the state is to provide diversified help for families, and improve the safety of family life and conditions of raising children. The effective act contains the following main solutions for improving the conditions of raising children.

One of the most important element of the act is that the benefits pursuant to the Family Support Act are offered as of universal right. The amount of the benefits is defined by law, and they do not depend on considerations by the authorities (local government) or the income of the eligible individual; if the criteria specified by law exist, the amount defined in the regulations has to be paid out.

With regard to benefits the act differentiates in the amount of support according to the number of children, including consideration of twins; it also differentiates according to the health status of care recipients, in so far as it tries to offset the more difficult situation of children or persons of age with long-term illness and severe disability; according to the completeness of the families, in an effort to compensate the more disadvantageous conditions of single parents raising children.

Benefits available on insurance basis. According to the effective legislation benefits available on insurance basis include pregnancy-confinement benefit (TGYS) and childcare benefit (GYED). On the basis of the insurance principle these services are only available for insured people, which means that at the

* Author is the Professor of law, Department of Labour Law and Social Security at the Faculty of Law of Szeged University, Szeged, Hungary.

¹ This paper is a modified version of the Hungarian National Report on Family Allowances presented in the VIIIth European Congress of Labour and Social Security Law, Bologna, September 2005.

time of eligibility the individual concerned must have been insured for at least 180 days, and for purposes of calculating the benefit, the amount based on which the individual paid the health insurance contribution needs to be taken into account as income.

Benefits available on assistance basis a) Family support available as of right and not on an insurance basis include aid types, regulated in the Child Protection Act (regular and one-time child protection benefit). b) Different social assistance benefits.

Tax allowances for children were re-introduced in the tax system in the year 2000. On the basis of their volume, the tax allowance is the second most important family support tool after family allowance.

In this paper I will deal with and analyse the above mentioned family protection benefits from different legal point of view. At the end I will briefly introduce the amendment proposal of the recent government to change the Hungarian family support system in force.

1. The legal background of family protection

1.1. The Hungarian Constitution

The Hungarian Constitution among its General Provisions, in Articles 15 and 16 requires the protection of the institutions of marriage and family, as well as the protection of the interests of the juvenile. Further, in its Article 67 the Constitution declares that „in the Republic of Hungary all children have the right to receive the protection and care of their family, and of the State and society, which is necessary for their satisfactory physical, mental and moral development”.

In addition, the Constitution declares the universal and fundamental right to human dignity [Article 54 (1)], the right to private secrecy and to private data protection [Article 59 (1)], the freedom of thought, conscious and religion [Article 60 (1)], the right to file a complain (Article 64), the right to education (Article 70/F), and the right to the highest possible level of physical and mental health [Article 70/D (1)]. All the above listed rights are laid down in the Act on the Protection of Children and on the Guardian Administration as well, in accordance with the principles of the Convention on the Rights of the Child, New York, 1989. As a result of the Parliamentary Commissioners' investigations, the children have not only often suffered injuries in connection with the children's rights, but also in connection with the above enumerated rights.

The protection of children's rights has a special importance because due to their age children are not able to take steps in their own interests; they are more defenceless and vulnerable than adults. Nevertheless, being defenceless cannot mean being subordinated.

Furthermore, Article 70/E of the Hungarian Constitution states that the citizens of the Republic of Hungary have the right to social security; they are entitled to the support required to live in old age, and in the case of sickness, disability, being widowed or orphaned and in the case of unemployment through no fault of their own.

The Republic of Hungary shall implement the right to social support through the social security system and the system of social institutions.

1.2. The Hungarian social security system in brief

Key patterns of the Hungarian social security system. There are five main branches of social security in Hungary. Pensions and health services (including statutory work accident system) are classified as social insurance. The other three branches are unemployment insurance, universal family support system and social assistance system.

The following risks are covered by the Hungarian social security schemes: sickness, maternity, old age, invalidity, occupational diseases (accident-related disability), employment injuries, survivorship, child-raising (family support) and unemployment.

The Hungarian social security system mainly corresponds to the Bismarckian type system. There are few exceptions, for example the family allowance system, which is based on the Beveridge logic.

1.3. The structure of the Hungarian family protection schemes

In Hungary there are several benefit schemes dealing with family protection issues. However, the most significant branches that we usually call family support scheme are the universal type family support scheme, the insurance type maternity benefit scheme and social assistance type benefits. These provide cash benefits for parent(s) or child. Over and above the benefits in cash there used to be a wide network of crèches for children under three, and of kindergartens for preschool children. The capacity of the day-care institutions for the under-three has shrunk significantly, the coverage for the preschool cohort has been by and large maintained.

The structure of cash benefits:

1. Universal type benefits – Family support benefits (Act LXXXIV of 1998 on Family Support)

Benefits:

- a) Family Allowance (családi pótlék)
- b) Child Home Care Allowance (Gyermekgondozási segély – GYES)
- c) Child Raising Support (gyermeknevelési támogatás – GYET)
- d) Birth Grant (Anyasági támogatás)

2. Insurance type benefits (Act LXXXIII of 1997 on the Benefits of Compulsory Health Insurance)

A. Maternity benefits under the Health Insurance System

- a) Maternity Allowance (Terhességi-gyermekágyi segély – TGYS)
- b) Child Care Fee (Gyermekgondozási díj – GYED)
- c) Sickness benefit for pregnant and child-giving women, and for persons who take care of a sick child (gyermekápolási táppénz)

B. Pension Insurance System (peripheral benefit)

- a) Orphan's allowance (árvaellátás)

3. Social assistance type benefits

A. Child protection benefits (Act XXXI of 1997 on the Protection of Children and on the Administration of Guardianship)

- a) Regular Child Protection Support (rendszeres gyermekvédelmi támogatás)
- b) Irregular Child Protection Support (rendkívüli gyermekvédelmi támogatás)
- c) Advanced Guarantee of Child Alimony (Gyermektartásdíj megelőlegezése)
- d) Home Settlement Support (Otthonteremtési támogatás)
- e) Benefits in naturam.

B. Social assistance benefits (Act III of 1993 on the Social Assistance)

These benefits are peripheral benefits within the family protection schemes.

Social provisions offered by self-governments. The Social Assistance Act and the Child Protection Act regulate the statutory welfare obligations of the local self-governments. Community local self-governments use the standard central budgetary funds defined in the State Budget Act in order to fulfil their statutory obligations in social care and child protection, the normative standard funds are used, however, at the discretion of the local self-governments. In addition local self-governments are entitled to provide additional services out of their own budgets. Pursuant to the Social Assistance Act, coverage for financing public administration tasks are required to be ensured by the state budget. The state contributes to local governmental tasks, which can be regarded as local public affairs through social normative, institutional normative, and earmarked subsidies. (The social normative is differentiated in accordance with the social and demographic situation of the individual settlements, thus it functions as an equalizing mechanism.) Normative support to non-governmental organizations and to churches organizing social service institutions must be applied for at the licensing body at the time of issuance of the license. Normative subsidies are disbursed by the Public Administration Office.

According to the effective Social Assistance Act, cash benefits include elderly annuity, regular social assistance, housing support, nursing fee, *temporary social assistance* and funeral aid. *There are two relevant social assistance type benefits, which has strong family connection:*

a) Nursing fee (Ápolási díj)

The Nursing Fee (Ápolási díj) is a cash benefit provided by local municipalities for family members, taking care of persons who are under the age of 18 years and, in the opinion of their general practitioner, are permanently ill. Also provided for family members, taking care of severely disabled persons who are unable to care for themselves without age restrictions. It is based on the philosophy of social assistance.

b) Temporary social assistance (átmeneti segély)

Benefits in cash and in kind, as well as social services are available on a means-tested basis, with the establishment of social need being defined by the per capita income of the household. Benefits in cash and in kind may be provided in a regular or ad hoc form (certain types of aids can be provided in both ways). In the aid system, prevention of the total financial failure of the elderly (elderly annuity), alleviation of high housing expenses (for example, housing support), and prevention of total deterioration of health status (for example, medical indigence card), as well as reduction of the crises caused by unexpected fatal events (for example, funeral aid) are the most important factors.

4. Other sources of family protection (collective agreements)

According to the available sources family allowances basically are not regulated in collective agreements. Other types of family support benefits (holiday ticket, school starting allowance, etc.) are incorporated in many collective agreements. The collective agreement based fringe benefit system is getting to increase in the Hungarian industrial relations practice.

1.4. The administration of family support schemes

In Hungary the family support scheme is integrated into the social security system. It is organised and financed partly by the state central budget organisation (universal family support benefits: Family Allowance (családi pótlék); Child Home Care Allowance (Gyermekgondozási segély – GYES); Child Raising Support (gyermeknevelési támogatás – GYET) and partly by the health insurance fund (maternity allowance: tgys and child care fee: GYED). However, there are supplementary social assistance type benefits.

1. The universal type family support benefits scheme is administered by separate institutions. See them below:

- a) At central level the Ministry of Youth, Family Affairs, Social and Equal Treatment is responsible for family support benefits.
- b) Family support benefits are operated by the *Regional Directorates of the Hungarian State Treasury* (in Budapest: Budapest and Pest County Regional Directorate), competent in the county according to the home or place of residence of the applicant and their sub-regional representation offices (hereinafter together Hungarian abbreviation MÁK).
- c) The *family support paying agency* at the applicant's workplace (hereinafter: MÁK and family support paying agencies together: application assessing agency).

2. The insurance type benefits are organised by the following insurance administration bodies:

- 2.1. Maternity benefits by the National Health Insurance Fund Administration (Országos Egészségbiztosítási Pénztár – OEP) and its subordinate county (capital) and local branch offices and at the workplace benefit paying agency (kifizetőhely).
- 2.2. Orphan's Allowance by the National Pension Directorate and its subordinate county (capital) and local branch offices.

3. Social assistance type benefits

A. **Child protection benefits** (Act XXXI of 1997 on the Protection of Children and on the Administration of Guardianship) - local governments are responsible for administration.

B. **Social assistance benefits (Act III of 1993 on the Social Assistance)**
Local governments are responsible for administration.

1.5. Personal scope of family protection schemes

1. Universal type benefits. The family support scheme is a universal system. Every citizen who has a child up to a certain age may be entitled to various family support benefits.

More precisely: Unless an international treaty provides otherwise, the scope of the Family Support Act extends to

- a) Hungarian citizens
- b) foreigners recognised as refugees by the Hungarian Refugee Agency, or possessing an immigration permit or settlement permit, living in the territory of the Republic of Hungary.

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c) persons falling under the personal scope of the 1612/68/EEC regulation and 1408/71/EEC regulation and possessing a valid right of abode (tartózkodási engedély).

2. **Insurance type benefits.** Every insured person – according to Article 5 of Act LXXX on Personal Scope and Financial Issues of the Social Insurance Scheme – is covered. The insured persons are mostly wage earners.

According to the above mentioned Act the following persons shall be considered as insured and paying contribution in Hungary:

- a) Persons in full- or part-time employment relation;
- b) Persons working for a fee provided that the income serves as contribution base;
- c) Members of co-operatives;
- d) The self-employed, private entrepreneurs, clergymen, family members in helping status in private companies with or without legal entity are obliged to pay health insurance contribution and are entitled to health services and sick pay too.

3. **Social assistance type benefits.** Basically every Hungarian citizen is covered who is in a needy situation (It means those persons whose income is falling below a certain level.)

Within the general personal scope, the following table shows the family benefits and the entitled persons in detail.

Table 1

Personal scope of the Hungarian family protection system

Type and groups of benefits	Entitled persons
Family support type scheme (universal)	
1. Family Allowance (családi pótlék)	-parent, foster parent, official foster-parent; -guardian, temporary guardian; -leader of the social institution; -person in his or her own right, who is over 18 and is severely disabled or permanently ill
2. Child Home Care Allowance (Gyermekgondozási segély – GYES)	-parent; -foster-parent; -guardian; -grandparent, at the parent's right (special rules apply)
3. Child Raising Support (Gyermeknevelési támogatás – GYET)	-parent; -foster-parent; -guardian



4. Birth Grant (Anyasági támogatás)	-woman who attended pre-natal care; -adopting parent; -guardian
Social insurance type benefits	
1. Sickness benefit for pregnant and child-giving women, and for persons who take care of a sick child (gyermekápolási táppénz)	- insured person incapable of earning; -woman who cannot work due to pregnancy or delivery and is not entitled to maternity allowance; -mother breast-feeding her child younger than 1 year under hospital care; -parent, foster-parent, substitute parent taking care of a sick child under 12 years
2. Maternity Allowance (Terhességi-gyermekápolási segély – TGYS)	-insured woman giving birth; -person bringing up a child with the intention of adoption
3. Child Care Fee (Gyermekgondozási díj – GYED)	-insured parent; -mother who received maternity allowance
4. Orphan's Allowance (árvaellátás)	-the child (orphan of insured deceased person); -after the adopted child's blood-parent only if the child has been adopted by the spouse of the blood-parent; -brother/sister, grandchild,
Social assistance type benefits	
1. Regular Child Protection Support (rendszeres gyermekvédelmi támogatás)	-the child
2. Irregular Child Protection Support (rendkívüli gyermekvédelmi támogatás)	-the child
3. Advanced Guarantee of Child Alimony (Gyermektartásdíj megelőlegezése)	-the child
4. Home Settlement Support (Otthonteremtési támogatás)	- young adult leaving temporary or permanent care
5. Benefits in naturam	-especially children under protection
1. Nursing fee (Ápolási díj)	-relative
2. Temporary social assistance (átmeneti segély)	-persons with cost-of-living problems

Source: Own source.

1.6. *The share of the Gross Domestic Product which is allocated to family allowances*

In terms of its generosity, the Hungarian state spends quite a big percentage of its GDP on family and maternity benefits, although this percentage represents a sharp drop from 1990, a time when the Hungarian allocation was one of the highest in Europe.

Hungary developed from the sixties on a relatively decent system of family provisions and childcare institutions. Benefits in cash amounted to about 4% of the GDP towards the end of the eighties. Since then the main structure has remained the same, but the regulations and the standards of the benefits have changed several times.

Table 2

Child-care allowance and fee

Denomination	1980	1990	1998	1999	2000	2001	2002
Allowance							
Average number of persons receiving allowance, thousands	262,9	94,7	234,0*	245,0*	192,8*	182,9	171,9
Amount paid, million HUF	3913	3754	38548	44501	38418	39109	40707
Per capita average, HUF/month	1241	3303	13725**	15134**	6601**	17820	19734
Fee							
Average number of persons receiving fee, thousands	-	155,0	9,9*	-	53,7*	62,9	70,0
Amount paid, million HUF	-	9669	1113***	-	20381	29646	37807
Per capita average, HUF/month	-	5198	28027**	-	1645**	39274	45018
Amount of child care allowance and fee as a % of the GDP	0,54	0,64	0,39	0,39	0,46	0,46	0,46

* Average number of actual recipients.

**Calculated for actual recipients.

***Child-care fee was last paid in April 1998, then it was re-launched on 1 January 2000.

Source: National Health Insurance Fund Administration.

Table 3

Family allowance					
Denomination	1990	2000	2001	2002	2003
The amount of the family allowance					
amount paid, million HUF	64,3	132,5	134,0	153,9	174,9*
Amount paid in % of GDP	3,1	1,0	0,9	0,9	0,9
Number of persons receiving family allowance					
average number of families, thousands	1514,1	1299,8	1295,8	1277,9	1292,0
Average number of children, thousands	2498,3	2152,6	2115,4	2045,6	2109,6
percentage (%) of 0-18 years old children	91,0	96,1	96,2	94,5	98,9
average amount of family allowance by family; HUF/month	3538	8496	8617	10034	10415

* The amount of 13th monthly family allowance is included.

Source: National Health Insurance Fund Administration.

Table 4

The family allowance recipients						
Size of family	The family allowance recipients					
	families	children	families	children	families	children
	July 2001		July 2002		July 2003	
One child						
Family a)	443222	443222	448489	448489	443920	443920
single parent	224378	224378	194866	194866	196598	196598
Two children						
family a)	366949	733898	361585	723170	352625	705250
single parent	70384	140768	69007	138014	70490	140980
Three or more children						
family a)	126829	421879	126421	428683	128562	429178
single parent	22635	76008	22567	78015	24150	82158
Together	1254397	2040153	1222935	2011237	1216345	1998084

* Without children in institutional care.

a) Cohabitant relationship included.

Source: National Health Insurance Fund Administration.

2. Historical overview

2.1. The first legislations

Hungary was the first country in Europe to introduce a family allowance system. Act XXXV of 1912 benefited civil servants, and within this, those working in the state administration received a higher amount (200 Koronas per child per month), other public employees, like teachers and nurses, received half of it. It provided 20–50% of the monthly income of a public employee with three children, depending on their ranking and income. The act aimed at strengthening the traditional family-structure: it was men who received it. Women could only get family allowance in case the father died or was unable to work, or if the mother reared the child without any financial help from the father.

The main reason for such an early introduction can be grasped in the Bismarckian pattern of social security. By this time, Hungary had a 20 years tradition of Bismarckian social insurance for public employees and industrial workers. It is typical for Bismarckian countries that the state first introduced social policy measures first for its own employees. By differentiating even within this group the state expressed its priorities: the major share of family allowance went to those directly involved with the state-affairs, those working in the Ministries and state administration. They received the allowance up until their child was 24 in case the child was studying. Public employees with a lower status were expected to make their children study less: they received the allowance until their children reached 16 years of age. This is a clear example of preserving the position of social classes and groups, a characteristic of conservative welfare regimes.

The exception was the Hungarian Republic of Soviets of 1919, which aimed at a child-protection system and family policy based on social equality and institutional care. One of the main goals was to end the system of foster-parents as children were extensively abused in these situations. Because of the very short period of the Republic the original ideas could not become reality, apart from some major holiday-programs for children.

After the First World War, there was a general boom of social insurance measures throughout Europe: Central and Eastern Europe was no exception. Before the major 1928 Pension Act, pregnancy, child-bed and breast-feeding allowance were introduced in 1927 (Act XXI. 1927.). The duration of pregnancy and child-bed allowance was six weeks before and after the birth of the child and amounted to 100% of the previous income of the mother. As this was an insurance-based benefit, only those women could get it who had worked at least 10 months in the previous two years. Breastfeeding benefit was

provided for mothers after the child-bed allowance was over and it lasted for another 12 weeks.²

The extension of family allowance to the lower classes was one of the most important family policy measures. The first widely accepted legislation on family allowance was Act XXXVI of 1938 on the Child Raising Allowance. The Act XXXVI of 1938 was introduced following the French example of family allowance, and was seen as a kind of „family wage” for industrial workers. As it was mentioned there had been some earlier legislations relating to family allowance in some sectors and companies, for example, Act XXXV of 1912 on the Family Allowance for state and regional railway workers or at the Komló Mine set up a family allowance scheme. These were isolated and small systems.

According to Act XXXVI of 1938, the personal scope of the legislation covered workers who worked in one of the following sectors: 1) industry; 2) commerce; 3) mining; 4) metallurgy and who takes care of a minor child (under 14 years old). The financial burden involved in introducing it for every entitled worker would be too high, therefore the Family Allowance Act entered into force gradually. First it covered the workplaces where the number of workers exceeded 20 persons. This restriction resulted in the fact that in 1941 only 12 per cent of potentially entitled children received family allowance benefit. The contribution for family allowance was paid by the employers in every quarter of the year.

If the parents (mainly the father) were impeded, the grandparents were entitled to receive the benefit. This was the only piece of the family allowance legislation before the Second World War.

According to my knowledge and available information the first Family Allowance Act (1936) was initiated by social motivation. The original family allowance was paid to every insured parent and grandparent who was in charge of taking care of a child. To be insured at that time meant to work in the designated sector, such as industry, commerce, mining, metallurgy. The family allowance was a lump sum payment for every child. The allowance was equal to every child. It was not paid only for low-income and/or big family.

When the first family allowance act was enacted it was not a case in Hungary. Before the first family allowance act in some very isolated sector certain employers started to set up the family allowance system on voluntary basis. However, the principle of the Act XXXVIII of 1936 (first family allowance act) was the obligatory participation of employers in the family allowance scheme.

² <http://www.unifr.ch/travsoc/espanet05/papers/pap01A-03.pdf>

2.2. Family policies under state socialism

State socialist family and maternity policies were designed to accommodate the state's labour requirements and were important parts of the state's overall social engineering project. While the shape and conditions of these provisions varied significantly, there were a number of similarities in the ways in which family and maternity policies were formulated in the three countries. Here we want to briefly review three especially important similarities: their pro-natalist bend, the replacement of social citizenship rights with claims made on the basis of need in the context of state paternalism, and the family and gender ideology embedded in policy making.

First, maternity and family provisions in Hungary had pro-natalist goals: they strove to encourage births and increase the size of the population. It was done by introducing generous maternity leave benefits and state contributions to child rearing.

Yet the explicit goal of all these policies was to encourage women to have more children and therefore to reproduce the socialist labour force. It should be noted, however, that Hungary was not able to achieve this goal on a permanent basis: the birth rates show a gradual decline in Hungary after the 1960s, following a similar tendency in much of Western Europe.

Second, communist party ideology abolished the idea of citizenship, and thus the well-known Western European concept of social citizenship rights and claims made on this basis cannot be employed to describe state socialist societies (Gal and Kligman 2000). Instead, state socialist states vowed to guarantee welfare on the basis of need defined from above to accommodate politically advantageous social and labour goals at any given time. State subjects the population had little if any influence on policymaking³ and had no rights to any specific social provisions on the basis of citizenship. Instead, when policy makers deemed it fit, the state allocated benefits in a manner considered expedient and while retaining full control over these resources for themselves. This paternalist practice, noted by a number of observers, resulted in people's lingering expectations that the state take care of them even after 1989 without their input or contribution.⁴

³ This is not quite precise. State policy makers did indirectly respond to pressures they perceived within the population and occasionally asked for the opinion of experts and political advisors. Yet, overall, lacking democratic elections and suppressing social organization outside the party of almost every kind- needs and demands could not be formulated in a way that would have achieved serious influence on policy outcomes.

⁴ While in some of the countries, maternity leave and pay could be claimed on the basis of employment (such as in Romania), in others as a universal right (as in Hungary after 1985), since over 90% of women of working age were actually engaged in paid work, this was not a meaningful distinction. Not even in principles, since employment itself was not seen as participation in the labour market (thus benefits were not tied to social insurance) rather as an obligation of all able bodies subjects of the state.

Finally, mothers' (and parents') needs were defined within the general gender and family ideology of the communist parties. These emphasized the importance of women's participation in the paid labour force, although this participation did not have to be of the same value or intensity as that of men. In addition, the political ideology considered the nuclear family as the building block of society. Although both husband and wife were expected to work outside the home – a radical break with women's role in pre-war Eastern Europe – policy makers did not intend to transform men's role within the domestic division of labour. As a consequence, the general thrust of social policies was to encourage women to balance family and paid work in a specific manner: After the birth of children, women were expected to withdraw from the labour force for a few years but return to full time work thereafter. Maternity leave benefits and other smaller provisions (such as leave for parents if the children were sick) as well as a characteristically large number of in-kind provisions supported this goal. Child care for children under 3 years of age was largely unavailable in much of the region, thus women with small children were not supposed to be in the labour force, unless other female members of their family (grandmothers usually) took over their responsibility. In addition, leave was guaranteed for mothers only – fathers could only take “maternity leave” in Hungary, and only after 1985. State policies thus enforced a very clear pattern of the gendered division of labour within the family as well as a simple pattern of child rearing practices, which both enabled women's participation in paid work, but simultaneously also limited the quality of their participation (Fodor 2002).

2.3. Combine work and family obligations

State policies, particularly those that directly address child rearing, deeply influence women's ability to combine work and family obligations. While technically allowed to fathers to take parental leave, this is still the rare exception: it is women who drop out of the labour force in order to look after children. Parental leave policies, therefore, regulate women's relationship to the labour market: sometimes encouraging mothers to withdraw from the labour force, sometimes allowing a balance between work and family obligations.

Hungary is a country that allows women on maternity leave (those on “GYES” and “GYET”⁵) to work part time after the first birthday of their child. This allows women to retain some of their ties with the labour force and facilitate a potential return.

However, the structure of Hungarian family benefits is not fully in line with the Union's emphasis on the accommodation of family life with work, an

⁵ As it will be explained later, Hungary has three types of maternity leave policies for three different types of women. “GYES” (loosely translated as “child care benefit”) is by far the most popular of these institutions, and women receiving GYES are allowed to work for pay, 4 hours per day, after the first birthday of their child.

element of the social inclusion strategy. The EU strongly encourages instruments that allow parents (particularly women) to return to the labour market after child birth. In the Hungarian family policy there is too much emphasis on offering parents the alternative of staying home for long periods of childcare, while the extended network of day care institutions has been neglected. The first sign of the rediscovery of the importance of child day care as a means to combine family and work appeared at the end of 2003 in the Population Program of the government. The EU certainly influenced this rediscovery.⁶

2.4. Tracking and differentiation among women

State policies create distinctions not only between men and women, but also among women. We argue that the Hungarian state is the most extreme in its efforts to track women into different channels and distribute benefits accordingly.

Family benefits are given as lump sums to all families in Hungary. There is no increase of the family allowance after the third child in Hungary.

The value of family benefits is declining and they are gradually and partly replaced by another type of child rearing benefit in Hungary: tax credits for children. Tax credits are important in Hungary. However, tax credits can only be used by people who earn enough to claim them—middle class workers, whose taxable income is sufficiently high. As a result, about a third of all parents are unable to take full advantage of what is essentially middle class family support in Hungary.

In addition, distinctions are also made in maternity leave policies. There is a more generous insurance based period provided for women right after birth (at 70% of former income), after this the maternity benefit system is multi-tracked in Hungary. However, since 1999, three types of maternity leaves and benefits exist in Hungary: a shorter (2-year), insurance based for previously employed women (again, a remnant from the state socialist past), and two universal tracks: one medium length (3 years) for all women who want to claim it and a special track for career housewives, women who rear three or more children under the age of 8.

The first, insurance based track is tied to past income (with 70% replacement rate), thus even though a maximum exists, it replaces wages better than the other two benefits, which equal the sum of the minimum pension. Middle class, white women are better able to take advantage of this benefit, while poor women and minority groups receive a less generous (albeit universal) provision. In Hungary the welfare state does not differentiate among women in terms of providing benefits and services. The state does, however,

⁶ www.uni-konstanz.de/FuF/verwiss/Alber/Potucek/ferge_juhasz.pdf *Accession and social policy – The case of Hungary* Zsuzsa Ferge – Gábor Juhász.

create class and race distinctions among women regarding the *types* of benefits women may receive.

2.5. The development of the Hungarian family support legislation/scheme after 1945

In the period following World War II, the number of children and the issues of population growth in general started to receive more attention only at the beginning of the 1950s. In 1953 the Council of Ministers passed a decree about improving mother and infant protection. This is the often-mentioned “ill-famed provision” linked with the name of Minister Anna Ratkó. The resolution consisted of 7 titles, and only the last of them was related to the tightening up of abortion. Through the so-called demographic resolutions and then through the legal regulation arising in association with the changes in the priorities of social policy it is easy to follow the state efforts which aimed at influencing people’s willingness to have children by awarding family supports.

2.5.1. Family allowance

In 1945 the entitlement to child raising allowance (gyermeknevelési pótlék) was extended⁷ to the employees of factories employing a minimum number of 10 persons and to all the workers covered by the scope of compulsory social insurance. The age of entitlement was increased until the child reached 16 years of age.

The norm itself prescribed allowances for persons in employment, breast-feeding allowances for mothers, sickness benefit if the child was ill and free layette for infants. From the third child family allowance was increased approximately 1.2 times proportionately, but the “tax on childless people” was introduced.⁸

In 1948 family allowance was also due to a child over 16 years until 24 years of age if the child was a student. If the child was ill, family allowance was payable to the parents without restrictions, even until the child’s death.

Agricultural workers, who were excluded for a long time, became entitled to family allowance after 1953, but only those ones who were bringing up 3 or more children or performed at least 120 work units in the previous year. The sum due to them was half of the sum due to other insured workers, and their entitlement was until the child reached 16 years of age, or until 18 years of age if the child was a student.

By Act II of 1975 on Social Insurance coming into force, the separate system of family allowance was incorporated into the uniform system of social

⁷ Council of Ministers Decree 6 1004/1953. (II. 8.) on the Improvement of Mother and Infant Protection.

⁸ Government Decree 11780 of 1946.

insurance and the principle of equal treatment with respect to entitled persons was realized.

As of July 1, 1979 income supplement was introduced for families providing only for one child in the case of non-single parents, for children receiving orphan's allowance, for third-year students in industrial schools and for children taken care of in a children's home.

Hungary after 1985, when everyone became eligible for maternity benefits regardless of employment status. (Since this distinction remains between the countries in the post state socialist era, one might argue that they had longer-term consequences.) Importantly, the term "entitlement" is ill fitted to describe the paternalist welfare provisions of the state socialist states: People were not entitled to benefits, rather they were grateful for the benevolent handouts, wisdom, and generosity of the communist party-state. For this reason, the technical differences in the eligibility criteria were even less significant.

The concept of entitlement started to make sense in the post state socialist region as the communist regimes were replaced, at least formally, by democratically oriented polities and people came to understand by the mid 1990s their rights (and especially lack thereof) as citizens of an increasingly tightfisted state. Important differences in the basis of parental and family entitlements ensued in the three countries.

Hungary, after a period of means-testing programs between 1996 and 1998, reverted back to universal entitlements both in the case of family benefits (although after age 6, the benefits are tied to school attendance) and parental benefits (at least for its most general and popular kind). Universal benefits are often the most advantageous for women, because they do not restrict the circle of eligibility and allow women to claim benefits independent of family relations, employment, or life history. Interestingly, the universal eligibility of benefits had a (brief, since 1985) history in Hungary, but unlike in earlier times, the state socialist legacy is now expected to create advantages for women in terms of escaping poverty and being able to establish independent households, compared to the other countries.

A new regulation came into force as of April 1, 1996, when family allowance was changed into a benefit depending on income for families with one or two children and for single-parent families with one or two children. In this way family allowance became a selective, assistance type benefit.

The act on the support for families (Act LXXXIV of 1998 on Family Support) came into effect on January 1, 1999, today this regulates (with several other forms of support) the basic rules of family allowance, which became a universal type benefit again.

Upon its introduction, a special benefit was schooling support, which was a special form of family allowance in the case of children of school age. Schooling support was terminated in 2002.

2.5.2. Birth allowance

The single benefit paid upon giving birth – aimed at contributing to the extra expenses arising when a child is born – was connected to insurance legal relationship at the time of introduction, and its name has changed several times.

The sum of the birth allowance was increased several times since 1953 depending on for which children it was payable and how long the service time was.

Pregnancy allowance was due from January 1, 1993 until April 15, 1996,⁹ it was meant to facilitate healthy intrauterine development and possibly to prevent abortions by promoting pregnant women's better nutrition. It was a monthly allowance paid from the 4th month of pregnancy, its sum was adjusted to that of family allowance. This form of support became universal then.

Since 1996 it has been regulated as a universal, single support connected to birth under the name of birth grant. The condition of its payment is participation in prenatal care. Its sum is 150% of the prevailing minimum amount of old-age pension.

2.5.3. Child home care allowance

Child home care allowance was introduced in 1967, at that time it was payable until the child reached 2.5 years of age. Insured persons were entitled to child home care allowance. After 1969 it was paid until the child was 3 years of age.

In 1982 the rules of child home care allowance were modified again. The important regulation came into effect, according to which after the child became one year old the father was also entitled to receive child home care allowance instead of the mother. After the child reached 1.5 years, the parent was allowed to work while receiving child home care allowance, but working time could not exceed four hours a day. The period of payment was longer and the amount was higher in the case of the permanent illness or serious disability of the child.

After 1985 students studying in institutions of higher education became entitled to child home care allowance, too, if the child was born during the existence of the student's legal relationship or within 180 of its termination. Child home care allowance could be paid by equity.

After September, 1994 income supplement was also due to the applicant in addition to child home care allowance.

2.5.4. Child raising support

It was introduced in 1993 as a normative cash benefit to increase support for families raising at least 3 children. It can be considered as the initial step in making motherhood, bringing up and caring for children an activity which is

⁹ Act LXXIX of 1992 on the Protection of Embryonic Life.

socially useful and is financed by the state. Child raising support was paid to those who had at least three children, the youngest of whom was between 3 and 8 years of age. It is a universal type benefit.

2.5.5. Income tax allowance

Rules of law providing tax allowances for families raising many children have existed since the beginning of the 20th century.

Certain groups of families with children could benefit from the tax allowance from the introduction of income tax in 1988 until 1994 – although under different conditions – which allowance became generally known as „child allowance”.

The scope of beneficiaries was extended continuously until 1994 – with the exception of one year, the year of 1999 – and the rate of the tax allowances also changed several times. In the beginning only persons bringing up at least three children were entitled until the child reached 14 years of age, from 1989 the scope of beneficiaries was extended to parents bringing up a seriously disabled child and to single parents bringing up two children.

From 1991 the allowance was due for every child under 6 years – the age limit of 14 years remained in the case of the previous scope of beneficiaries – and after 1992 every child giving entitlement to family allowance became a „tax relief factor”.

From 1993 the allowance could be deducted not from the tax base but from the tax itself, and its rate depended on the size of the family.

After a lapse of four years, the income tax allowance for families was included again in the act on personal income tax by Act 1999. The allowance was due to persons who received family allowance (schooling support). This tax allowance for families still exists, only its rates have changed.

3. The main provisions on the Hungarian family benefits

3.1. The labour law background of maternity benefits

As for preliminary remark it must be stated that many of the insurance type family benefits are rooted back into the labour law legislation. According to the Hungarian Labour Code, the women who is pregnant or has given birth shall be entitled to 24 weeks of maternity leave (Labour Code, Article 138). This shall be allocated in such a way that four weeks should preferably be taken out prior to the expected time of the birth.

Upon the employee's request, the employer shall permit unpaid leave

- a) for the purpose of looking after a child after the expiry of maternity leave up to the time at which the child reaches the age of three, or the age of

- ten in case of a chronically ill or seriously disabled child as well as
- b) in the case of the child's illness for the purpose of nursing the child at home for the duration of illness up to the time at which children reaches the age of ten.

During the first six months of nursing, the woman is entitled to two hour off work each day, and after this one-hour daily up to the end of ninth month. Child care fee is paid until the 2nd birthday of the child.

3.2. Education allowance

In Hungary there is no special benefit for compensate educational expenses. However, there are two benefits which include some possibilities to cover such kind of emerging expenses.

1. *Within the family allowance*: There is no explicit educational allowance in the recent family support scheme. However, the amount of the family allowance is double in July. It can be considered as a supplementary benefit for the extra costs of summer vacation and/or for the start of the school year.

2. *Regular Child Protection Support (Rendszeres gyermekvédelmi támogatás)*: As for educational allowance the regular child protection support is worthwhile to mentioned. A single support – in the amount defined by a governmental decree – is due after children in a pupil's or student's legal relationship for whom regular support is paid in June of the given year. The amount of the single support is to be paid simultaneously with the payment of the regular support due in the month of June.

Besides, the needy person can apply for irregular social assistance in case of difficulties to start the school year, under the social assistance act. This is based on a discretionary decision.

3.3. Guardian's allowance

Basically, there is no guardian's allowance in the Hungarian legislation. However, there is orphan's allowance (árvaellátás) which is paid to the orphan. The orphan's allowance belongs to the pension insurance system. The insured person's orphan can be entitled to orphan's allowance. Orphan's allowance shall be granted to any child whose parent until his/her death has accumulated the service time necessary for old age or disability pension eligibility, or whose parent died as a recipient of old age or disability pension. Orphan's allowance shall be disbursed until the orphan reaches the age of sixteen. If the orphan is a full-time student, orphan's allowance shall be disbursed during the years of study, but until the age of 25 at the latest. The orphan's allowance shall be sustained even if the orphan or the orphan's surviving parent enters into marriage or if the orphan is adopted. The orphan's allowance for each child shall equal thirty per cent of the sum which was or would have been granted to

the deceased as old age, or accident-related disability pension at the time of his/her death. Sixty per cent of the same shall be granted to a child who lost both parents, or whose surviving parent is disabled.

3.4. Special allowance in case of disability of a dependent

1. Higher amount of family allowance (universal right system). A higher amount of family allowance is payable to durably sick or severely disabled children or persons to the end of the month to which the term of the illness or severe disability is certified in accordance with the provisions of a separate statutory regulation.

2. Allowance for disabled persons (Act XXVI of 1998 on the rights of disabled persons and on providing equal chances for them).

The allowance for disabled persons is a monthly cash benefit paid for the seriously disabled to promote their equal chances. The aim of the allowance is – independently of the seriously disabled person's income – to moderate, by giving financial help, the social disadvantages arising from the seriously disabled condition.

The allowance for disabled persons is due to a seriously disabled person over 18 years of age who is, at the time of applying for the allowance, a Hungarian citizen living in Hungary, or has an immigration permit or a settlement permit, or is recognized as a refugee by the Hungarian authorities and who is mentally or physically disabled, whose condition is lasting or permanent and who is not capable of living independently or is need of permanent assistance from others.

In addition to the above, persons falling under the personal scope of the 1612/68/EEC and 1408/71/EEC regulations are also entitled to the support.

The amount of the allowance – depending on the condition and need of the disabled person – is 65–80% of the prevailing minimum amount of old-age pension.

3.5. Parental benefits in cash

The parental benefits in cash is paid to the mother or the father who interrupts a paid working activity to upbringing his/her child. In Hungary there are three types of parental benefits: 1) maternity allowance, 2) child care fee and 3) child home care allowance.

1. Social insurance type benefit (Act LXXXIII of 1997 on the Benefits of Compulsory Health Insurance)

a) *Maternity allowance* (Terhességi-gyermekágyi segély): Insurance type benefit. Entitled persons include the employee, self-employed person and assimilated groups. For eligibility at least 180 days of insurance during the last

two years before delivery; and she will give birth during the insurance period or within 42 calendar days of its expiry (or 28 days in case of receiving sick pay.) The maternity allowance is paid for 24 weeks (4 weeks before and 20 weeks after the planned date of birth, or 24 weeks after the date of birth, depending on the mother's choice). The amount of the maternity allowance is 70 per cent of the daily average gross earnings of the previous year. If the insured person is not entitled to maternity allowance, she can apply for special sickness insurance (táppénz). There is a contribution which is paid by both parties (employer and employee as well.) The benefits are subject to taxation. General taxation rule is applied.

b) *Child care fee* (gyermekgondozási díj – GYED) (employment-and wage related benefit introduced in 1982): 70 % of daily average gross earnings of the previous calendar year. In the absence of earnings, the current minimum wage is used. There is a maximum limit of child care fee: HUF 83,000 (EUR 330) per month.

2. *Universal type benefit* (Act LXXXIV of 1998 on Family Support)

a) *Child Home Care Allowance* (Gyermekgondozási segély): Universal entitlement, financed by the state budget that provides a flat-rate benefit for all residents. As a general rule, the benefit is provided until the age of 3 years of the child. In case of twins, the benefit is provided until the twins enter into primary education. In case of a child being severely ill or disabled, the benefit is provided until the age of 10 years of the child.

b) *Child Raising Support* (gyermeknevelési támogatás) is a supplementary benefit for numerous family. It has universal entitlement, financed by the state budget that provides a flat-rate benefit for all residents. It is regulated in Act LXXXIV of 1998 on Family Support. The child raising support is provided if there are three or more minor children (being under the age of 14) raised in the family. The benefit shall be provided from the age of 3 years of the youngest child until she/he reaches the age of 8 years.

3.6. *One-payment allowance on event of childbirth*

1. *Birth Grant* (Anyasági támogatás): paid to all mothers if they attended at least four prenatal medical examinations (one in case of premature birth). Universal type benefit. It is lump-sum payment, 225 % of the minimum amount of old-age pension (öregségi nyugdíj) HUF 55,575 or 300% HUF 74,100 per child in case of twins. No contributions, it is covered by taxes.

3.7. *Housing allowances*

There are two types of housing allowances in the Hungarian social security system: A) home settlement support and B) housing benefit.

A. Home Settlement Support (otthonteremtési támogatás) (Act XXXI of 1997 on Child Protection)

The purpose of the home settlement support is to help young adults (between 18-24 years of age) leaving temporary or permanent care to find a flat or permanent housing.

Those young adults are eligible for Home Settlement Support whose

- a) continuous care at least for a period of three years – at the place of his or her care – ceased upon coming of age and
- b) whose cash, insurance or deposit fixed for other purposes or the value of his or her property does not exceed 60 times of the minimum amount of the old-age pension at the time of coming of age.

The applicant may submit the application for home settlement support

- a) after coming of age but not later than at the age of 24 years,
- b) before the end of the studies if the young adult coming of age is still in a pupil's or student's legal relationship but not later than at the age of 25 years.

Forfeiture arises in case of failing to keep these deadlines.

B. Housing benefit (Act III of 1993 on Social Assistance)

This support type (means tested) benefit to maintain the dwelling is a contribution to the

costs of living in an apartment (rent, repayment of loan to a lending institution, heating bill, public utility bills, etc.). The benefit to maintain the dwelling is determined and disbursed by the settlement's local government.

Income related criterion: per capita monthly income in the family does not exceed 150 per cent of the minimum level of the old age pension of the time (old age pension is 24,700 HUF in 2005). *Apartment size:* size is the input to the means test in the function of the number of persons living in it (for example 1 person 35 square meters, 2 persons 45 square meters, 3 persons 55 square meters, 4 persons 65 square meters, etc.).

Amount of dwelling maintenance expenses: the justified total monthly costs of maintaining the flat reach or exceed 20% of the monthly total income of the household.

Calculating of gross benefit. The sum of the benefit to maintain the dwelling is specified by the settlement's local government, and it may not be less than 2,500 HUF.

The housing benefit is no subject to taxation.

3.8. *Benefits in kind*

1. *Prenatal-postnatal policy.* In Hungary in the framework of prenatal and postnatal policy for every pregnant women is nominated a nurse-specialist in pre-and postnatal field who visits regularly the pregnant woman and later the newborn (until the age 2) at home and looks after them.

The pregnant women have at least four times visit the obstetrics/gynaecology during her pregnancy before the birth.

The newborn and the small children have to visit the healthy children pediatrics for regular checking and vaccinations.

2. *Nursery and child care services.* The state subsidized childcare services. While exact numbers on state spending on childcare facilities is not available, the cross-country differences in the number of children (as a percent of the appropriate age group) in nursery school (for 0–3 year olds) and kindergarten (3–6 year olds) are instructive. This is particularly important, since Hungary provides women (all women in Hungary¹⁰) with birth-giving leaves (6 months of leave at a generous salary replacement rate of 70%, or the amount of the minimum pension for uninsured women). But there is a question that who takes care of the children afterwards? Young children up to the age of 3 – usually in rural areas and small cities – are looked after at home. Hungarian women take maternity leave. As regards public care for small children: 10% of children between the ages of 0 and 3 are in nursery school.¹¹ However, public childcare availability is quite different when we examine state funded day care provided for 3–6 year olds. At this point, even the most generous maternity leave benefits expired and women may be in a position to consider returning to paid work. In Hungary over 85% of children in the relevant age group are in kindergarten (which, in fact, contrary to popular beliefs, represents a few percentage point increase since 1990) the vast majority. While there are some private day care centers, less than 10% of children take advantage of those; the majority is in state-run (actually local government-run), state-subsidized kindergarten facilities.

In sum, state support in Hungary, however, is given to all mothers who want to stay at home and raise their children, and they are allowed to start a slow reintegration process into paid work towards the end of their leave.

Personal social services can be categorized into two main groups: child protection and care services in the form of basic and special services, and “adult

¹⁰ To be precise, all women are eligible for GYES (see above) immediately after birth in Hungary. Insured women can take advantage of a more generous leave, specifically targeting women who just gave birth.

¹¹ It should be noted that contrary to popular beliefs, this number represents a mere 10–20% reduction since 1990, which roughly corresponds to the decline in the number of children born in these countries. No vast state withdrawal from nursery school funding may be observed in Hungary. However there was a significant withdrawal in the last 15 years at workplaces to funding and maintenance of workplace nurseries.

care” services in the form of basic and special services. Basic services include: • catering; • home help; • family assistance service; • child welfare service; • day care services for children (nursery, family day-care service, home child-care); • temporary care of children (replacement/foster parent, temporary home for children, temporary family homes). Special services include: • institutions providing care and nursing (old people’s club, homes for the disabled and for psychiatric patients, addictive patients, the homeless and children); • rehabilitation institutions (giving psychiatric and rehabilitation care to the disabled, the homeless and addicts); • day-care institutions (old people’s club, daytime institution for handicapped people, daytime shelter, day-care institutions for addicts, day-care institution for psychiatric patients); • institutions providing temporary shelter (old people’s home, home for handicapped people, temporary home for psychiatric patients and addicts, night shelter and night accommodation for homeless people); • nursing homes (for psychiatric patients, and the handicapped); • foster parents; • regional child protection service.

3. Upon the decision of the body of representatives, the support may be provided as a benefit in kind, especially for persons bringing up the children under protection.

Benefits in kind include, for example

- the support for schoolchildren’s school books and school appliances,
 - the reduced price of meals in children’s institutions,
- the payment of the tuition fee, fee for health services or other fees.

4. *Foster parent care.* One of the most effective forms of child protection care is foster parent care. The number of children placed with foster parents has been slowly but gradually increase since 1995. The development of the foster parent network is an important objective, with special consideration to professional foster parent services, in order to find a placement for children struggling with various problems needing special services and joining the system an older age. Development of a special children’s home network at county and national level is also a very important task especially for children with special needs, serious behaviour or problems, dissocial symptoms, physiological disturbances or use of psychoactive substances. A process started in which children’s homes carrying for many children are turned into homes to place children who cannot be placed to foster parents, and do not require any special services.

3.9. *Other benefits*

1. Regular Child Protection Support (Rendszeres gyermekvédelmi támogatás)

The purpose of regular child protection support (hereinafter: regular support) is to provide financial support for socially disadvantaged families in order to promote the care of the child in the family and to prevent the child's removal from the family. Regular support is payable for the child if the monthly per capita income in the family taking care of the child is less than the prevailing minimum amount of the old-age pension (hereinafter: minimum amount of the old-age pension) and if the care provided in the family is not in conflict with the child's interests. (social assistance based)

The sum of the support is calculated – at the time of submitting the application – according to the number of close relatives sharing the same household.

The monthly amount of the regular support – per child – equals 22 per cent of the minimum amount of the old-age pension (HUF 24,700 in 2005).

If the conditions are fulfilled, the regular support is also payable after the child comes of age until the completion of his or her studies but not later than 23 years of age, or until 25 years of age in case of students in an institution of higher education. If the entitled person comes of age, the regular support is payable in his or her own right.

Increased amount of regular support: If the conditions applying to regular child protection support are fulfilled, an increased amount of regular support is payable to the relative who has no taxable income, is obliged to provide care and receives old-age pension, accident-related pension, pension-like regular social assistance or old people's benefit and is assigned by the court of guardians as the child's guardian. The Parliament decides about increasing the sum of the increased amount of regular support at the time of passing the budgetary act.

2. Irregular Child Protection Support (Rendkívüli gyermekvédelmi támogatás)

Irregular child protection support (hereinafter: irregular support) is payable to the child if the family taking care of the child has temporary cost-of-living problems or is in an extraordinary situation endangering subsistence.

3. Advanced Guarantee of Child Alimony (Gyermektartásdíj megelőlegezése)

Advanced Guarantee of Child Alimony is due if

- a) the court has already settled the child alimony in its final decision and
- b) the sum of the child alimony cannot be collected temporarily, and
- c) the parent or other legal guardian taking care of the child is unable to provide the necessary care for the child on condition that the monthly per capita income in the family taking care of the child is less than two times the minimum amount of the old-age pension.

If the conditions are fulfilled, the payment or the continued payment of the advanced guarantee of child alimony is also due after the child comes of age while he or she studies in an institution of secondary education, but not later than 20 years of age.

The amount of the advanced guarantee of child alimony shall be paid back to the state with interest by the obliged person.

4. Family allowances and the children

4.1. Filiation or maintenance

It is indispensable to establish the filiation of a child for a family benefit. According to the Article 12 of Family Support Act, for the purpose of establishing the amount of family allowance, the children by birth, adopted or foster children need to be taken into account who:

- a) share the same household with the applicant, and
 - aa) with regard to whom the parent, foster parent, official foster parent or guardian is eligible to family allowance,
 - ab) who study in a public education institution or a higher education institution in the first accredited higher education system, first university or high school type basic training without a regular income.
 - ac) who are eligible for the benefit on their own rights. (It is described in the provisions of Article 8 Section (3) of Family Support Act.),

b) who are disabled and receive social institutional care, providing that the guardianship agency did not take them for temporary or durable care, and they maintain contact with the individual applying for the allowance.

4.2. The amount of the family allowance (családi pótlék) and the number of maintained child

1. *Family allowance* (universal type) is paid totally from the first child. It increases proportionally upto the third child. The amount of the family allowance vary according to the number of child, the marital status of the claimant woman, the disability condition of the child and the location of child raising (family or institution). The amount of the family allowance is as follow:

The monthly amount of the family allowance is as follows:

a) for families with one child	HUF 5,100
b) for a single parent raising one child	HUF 6,000
c) for families with two children, for each child	HUF 6,200
d) for a single parent raising two children, for each child	HUF 7,200
e) for families with three or more children, for each child	HUF 7,800
f) for a single parent raising three or more children, for each child	HUF 8,400
g) for a durably ill or severely disabled child (individual)	HUF 13,900
h) for a child living in an institution, a child placed with foster parents or official foster parents, and a child not falling under the scope of subsection g.) [durably ill or severely disabled child]	HUF 15,700

2. The maternity benefit (insurance type) is also paid from the first child.

4.3. *The child's age limit for the payment of a family benefit*

1. Family allowance (universal type)

1.1. Family allowance is payable for children conducting their studies in a public education institution until they reach twenty three years of age. However, if a child or individual who has reached 18 years has a regular income, the disbursement of the family allowance established for the individual must be stopped from the fourth month while the individual has a regular income.

1.2. Child home care allowance (GYES) (a flat-rate, universal allowance dating back to 1967) provided also for grandparents: As a general rule, the benefit is provided until the age of 3 years of the child. In case of twins, the benefit is provided until the twins enter into primary education. In case of a child being severely ill or disabled, the benefit is provided until the age of 10 years of the child.

1.3. Child raising support is provided if there are three or more minor children (being under the age of 14) raised in the family. The benefit shall be provided from the age of 3 years of the youngest child until she/he reaches the age of 8 years.

2. Maternity benefit (insurance type)

2.1. Maternity allowance (terhességi-gyermekágyi segély) is an insurance-based benefit for 24 weeks (4 weeks before, 20 weeks after the planned date of birth, or 24 weeks after the date of birth, as the choice of the mother), provided that the mother (or adopting mother) was insured for at least 180 days prior to childbirth.

2.2. Child care fee (GYED) is provided from the birth or from the expired date of maternity allowance to the age of 2 years of the child.

However, maternity allowance and child care fee are terminated when the beneficiary takes up work.

3. Social assistance benefits

3.1. Regular child protection support

Regular child protection support is provided by the local government, if the per capita income does not exceed the amount of the minimum old-age pension, provided that staying in the family is not harmful to the child concerned. The support is provided for minor children (under the age of 18) and for young adults. Young adult is a person of age under 24 years.

If the conditions are fulfilled – in need - the payment or the continued payment of the regular support is also due after the child comes of age while he or she is a regular student in an institution of education, but not later than 23 years of age, or 25 years of age if the entitled person is a regular student in an institution of higher education. In case of marriage the regular support can be terminated only if in the entitled person's new family after marriage the amount of the per capita income or the value of property exceeds the income or property limit for need.

3.2. Irregular child protection support

According to the basic function of irregular child protection support, this benefit is a temporary benefit. It is paid until the extraordinary circumstances exist and then it is terminated. Therefore it is not predictable how long the duration of this benefit provided to the claimant will be.

5. Means-testing

The Hungarian family benefits are mainly not subject to means-test. Majority of the benefits fall under universal or social insurance type scheme. However, there are some benefits (for example the benefits under the child protection act, or the social assistance type benefits) which are means tested.

However, time to time this discussion is awakened. The argument on the government side is that the universal system is very expensive, because it gives family benefits for everybody. Therefore, there are some supporting voice to abolish the recent (mainly) universal type family support scheme and reintroduce the means test.

6. Conditions of nationality or residence

1. *Universal type benefits – Family support benefits (Act LXXXIV of 1998 on Family Support)*

The family support scheme is a universal system. Every citizen who has a child up to a certain age may be entitled to various family support benefits.

More precisely: Unless an international treaty provides otherwise, the scope of the Act on Family Support extends to

- a) Hungarian citizens;
- b) foreigners recognised as refugees by the Hungarian Refugee Agency, or possessing an immigration permit or settlement permit, living in the territory of the Republic of Hungary;
- c) persons falling under the personal scope of the 1612/68/EEC regulation and 1408/71/EEC regulation and possessing a valid right of abode (tartózkodási engedély).

2. *Insurance type benefits (Act LXXXIII of 1997 on the Benefits of Compulsory Health Insurance)*

Every insured person – according to Act LXXX on the Personal Scope and Financial Issues of the Social Insurance Scheme - are covered.

3. *Social assistance type benefits (Act III of 1993)*

Basically every Hungarian citizen is covered who is in a needy situation (It means whose income is falling below a certain level.)

There are no direct requirements relating to the condition of residence or minimum period of residence in the Family Support Benefits Act (Act LXXXIV of 1998); in the Health Insurance Act (including maternity benefits) (Act LXXXIII of 1997) and in the Social Assistance Act (Act III of 1993).

7. Rates

7.1. *Rates of the family benefits and its influencing factors*

1. Universal type benefits

- 1.1. *Birth Grant (Anyasági támogatás):* It is lump-sum payment, 225 % of the minimum amount of old-age pension (öregségi nyugdíjminimum) HUF 55,575 or of 300% HUF 74,100 per child in case of twins. The amount of the benefits varies according to the number of children (more specifically in case of twins).

1.2. Family allowance

As regards the amount of family allowance, it depends on the 1) number of children, 2) the permanent illness or disability of the child, 3) whether the child concerned is raised by both or by a single parent and whether the child is in social institution or at home (family environment).

Table 5

The amount of the family allowance

No. of children in family	1	2	3 +	Disabled /ill child	Foster child
Benefit per child (HUF)	5,100	6,200	7,800	13,900	7,200
Benefit per child for single-parent family (HUF)	6,000	7,200	8,400	15,700	-

Source: The author's own source.

In July the amount of family allowance provided for families is doubled.

The benefit is paid by the family benefit pay-office of the employer or by the regional directorate of the Hungarian State Treasury.

The amount of the child-care support (GYES) and child-raising support (GYET) is as follows: Irrespective of the number of children, the monthly amount of child-care and child-raising support is identical with the lowest amount of old-age pension (HUF 24,700 in 2005), while in the case of incomplete months, one thirtieth of the monthly amount is payable for one calendar day.

In the case of twin children, the monthly amount of childcare support is identical with 200% of the lowest amount of old-age pension, irrespective of the number of children.

2. Insurance type benefits

2.1. *Maternity allowance* (Terhességi-gyermekágyi segély): The amount of the maternity allowance is 70 per cent of the daily average gross earnings of the previous year.

2.2. *Child care fee* (GYED): the amount of the benefit is defined as 70 % of the previous average daily income, with a ceiling of maximum HUF 83,000 (EUR 330) in 2003. From that year the state budget act will decide the ceiling of the monthly child care fee.

3. Social assistance type benefits

The monthly amount of the social assistance is equal to a certain per cent (80–90%) of the minimum old-age pension.

7.2. Comparison to minimum wage

In Hungary there is minimum wage regulation. The legal sources of Hungarian minimum wage: 1) Labour Code Act No. XXII of 1992 *Magyar Közlöny*, 4 May 1992, pp. 163 – 164 and the Government Decree No. No.327/2004 (XII. 11.) concerning the minimum wage.

Minimum wage fixing procedure

A mandatory minimum wage rate is determined by the government. The National Interest Reconciliation Council is consulted during the wage setting process, and minimum wage rates set by the government are subject to the agreement of the Council.

Minimum 57,000 Forints per month in 2005. Minimum wage rates must be reviewed regularly. The legislation does not set forth exactly how frequently rates should be adjusted.

An employee, trade union or works council may initiate proceeding as a result of an act or omission that contravenes the Labour Code, such as failure to pay relevant minimum wage rates.

Additionally, the Labour Inspection Ordinance LXXV of 1996 provides that the scope of labour inspection extends to compliance with the legal provisions on wage, including minimum wage.

Labour Code, 1992, Section 199 (1)

The Labour Code does not set forth the penalties to be applied if minimum wage rates are not paid. Fines in national currency for nonrespect of legislation.

Minimum wages may be set in collective agreements on the condition that minimum wages set in collective agreements are higher than the statutory minimum wage rate. Collective agreements may be extended to a whole sector, provided that the organizations entering into such a contract are considered to be representative in the sector.

Table 6

Changes of minimum wage in Hungary (1990-2015)

Period	The amount of the minimum wage (HUF/month)
23 December 1990 – 31 March 1991	HUF 5,800/month
01 April 1991 – 31 December 1991	HUF 7,000/month
01 January 1992 – 31 January 1993	HUF 8,000/month
01 February 1993 – 31 January 1994	HUF 9,000/month
01 February 1994 – 31 January 1995	HUF 10,500/month
01 February 1995 – 31 January 1996	HUF 12,200/month
01 February 1996 – 31 December 1996	HUF 14,500/month
01 January 1997 – 31 December 1997	HUF 17,000/month
01 January 1998 – 31 December 1998	HUF 19,500/month
01 January 1999 – 31 December 1999	HUF 22,500/month
01 January 2000 – 31 December 2000	HUF 25,500/month
01 January 2001 – 31 December 2001	HUF 40,000/month
01 January 2002 – 31 December 2003	HUF 50,000/month
In 2004	HUF 53,000/month
In 2005	HUF 57,000/month

Source: The author's own source

Table 7

The rate of minimum wage and family allowance in Hungary 2005

Family allowance (types)	Amount of family allowance	Rate of minimum wage and family allowance (%)
a) for families with one child	HUF 5,100	08,9
b) for a single parent raising one child	HUF 6,000	10,5
c) for families with two children, for each child	HUF 6,200	10,8
d) for a single parent raising two children, for each child	HUF 7,200	12,6
e) for families with three or more children, for each child	HUF 7,800	13,7
f) for a single parent raising three or more children, for each child	HUF 8,400	14,74
g) for a durably ill or severely disabled child (individual)	HUF 13,900	24,38
h) for a child living in an institution, a child placed with foster parents or official foster parents, and a child not falling under the scope of subsection g.) [durably ill or severely disabled child]	HUF 15,700	27,54

The base of the minimum wage is HUF 57,000 (2005)

Source: National Health Insurance Fund Administration.

7.3. Family allowance as minimum guaranteed living income

Basically the Hungarian family protection systems don't behave as a guaranteed minimum living income source. However, the universal type benefits in certain sense, unintentionally behave in that way.

7.4. The family allowances and their purchasing power

Even if we take the basic aim of the family allowance literally, which is to *compensate* and not to replace the burden of child raising cost in Hungary, they do not match at all the amount which they are intended to compensate for. For example, the monthly cost of nappies is approximately HUF 12,000; or one pair of regular leather shoes for children is minimum HUF 10,000, etc. This peculiarity exists in other universal and social assistance type benefits as well.

The only exception is the social insurance type benefits. According to the logic of calculating social insurance benefits, the benefit corresponds to the former insured income. Therefore, the social insurance type benefit recipients' living standard is usually close to the active life's standard. It means that the insurance type benefits have a bigger chance to cover the average cost of child raising than the universal or social assistance type benefits.

8. Deductions and withdrawal of family benefits

8.1. Family allowance and the taxable household income

1. Universal type benefits – Family support benefits (Act LXXXIV of 1998 on Family Support)

According to Section 40 of Act CXVII of 1995 on Personal Income Tax, the family tax-deduction (családi kedvezmény) is applicable under the following circumstances.

In respect of severely handicapped private individuals, on the basis of a statement verifying such condition, an amount equal to 5 per cent of the prevailing monthly minimum wage in effect on the first day of the tax year (personal allowance) may be deducted each month from the tax on the consolidated tax base, as of the first day of and for the duration of the disability.

The family allowance that can be claimed by the right-holder in connection with the beneficiary dependent shall not be paid from the tax on the consolidated tax base.

Depending on the number of dependents, the family allowance for each beneficiary dependent per month of eligibility shall be

- a) HUF 3,000 in the case of one dependent;
- b) HUF 4,000 in the case of two dependents;
- c) HUF 10,000 in the case of three or more dependents.

The "month of eligibility" means the month for which child benefits or disability benefits are provided. In respect of a fetus, it means the month of pregnancy during which eligibility prevails for at least one day according to the medical diagnosis of pregnancy, except the month when eligibility for child benefits commences due to birth. The tax authority may request a review of the medical certificate diagnosing pregnancy.

The family allowance shall be granted to private individuals who are eligible for child benefits according to the Family Support Act as well as to pregnant women and their spouses living in the same household. The family allowance, however, shall not be granted to private individuals who receive child benefits as the guardian and authorized custodian or ad hoc conservator for children (persons) cared for in a children's home or juvenile facility or placed in a correctional institution. Nor shall the family allowance be given to the head of a social institution if he/she receives the child benefits for children (persons) placed in that institution:

If the beneficiary dependent would him/herself be eligible for the family allowance or if the beneficiary dependent is a private individual who receives disability benefits, one of the private individuals living in the same household shall, in accordance with their decision, be considered eligible.

As a prerequisite for receiving the family allowance, the natural identification data or the tax identification code of the dependents shall be indicated in the tax return (employer's account statement); in respect of fetuses (twin fetuses), a certificate of pregnancy shall be accepted instead.

The family allowance can only be claimed once for any given beneficiary dependent, but the recipient shall share it at the end of the tax year with his/her spouse or common-law spouse living in the same household (including also if the beneficiary is unable to claim any part of the family allowance), if neither of the spouses have claimed any family allowance as a single parent and if sharing the allowance is duly indicated in their tax returns (employer's account statement) along with the other party's tax identification code.

If pregnancy (whether single or twin) is diagnosed after the tax return is filed, the family allowance granted on the basis of pregnancy may be claimed for the months of eligibility remaining in the tax year by self-revision - in due observation of the provisions of this Section.

The family allowance granted in connection with the dependents referred to in Subsection (7) may be claimed in accordance with this Section regardless of the recipient for whom it was claimed when determining the tax advance.

According to Section 40 of Act CXVII of 1995 on Personal Income Tax the following family and child care related social benefits are tax-exempt:

- a) Birth grant (anyasági támogatás), income supplements (except the auxiliary income supplement connected with scholarship), social assistance, widow's pension received on account of a child's eligibility for orphans' allowance;

- b) Child support benefits received according to the Family Support Act;
- c) Social welfare provided by the state social welfare system, local governments, the church or religious charitable organizations; cash benefits, child-raising benefits and special provisions paid to foster parents in addition to child-raising benefits and post-care assistance provided on the basis of the Act on the Protection and Guardianship of Children; temporary aid,
- d) Fees or reimbursements received for fostering and raising a minor - under institutional or state care - in a family, or fees or reimbursements received from a therapeutic institute for providing outside nursing care for a patient.

2. *Insurance type benefits* (Act LXXXIII of 1997 on the Benefits of Compulsory Health Insurance)

Maternity allowance (terhességi-gyermekágyi segély) and child care fee (gyermekgondozási díj) are subject to taxation. General taxation rules are applied. No special relief for benefits.

3. *Social assistance type benefits* (Act III of 1993)

a) Irregular child protection support (Rendkívüli gyermekvédelmi támogatás): The amount of irregular child protection support, belonging to the scope of social assistance and provided in kind, is exempt from taxation.

b) Family protection benefits and social security contributions

Any person receiving child care fee (gyermekgondozási díj) child home care allowance (gyermekgondozási segély) or child raising support (gyermeknevelési támogatás) is obliged to pay pension contribution (to pension insurance fund) and/or fee (to compulsory private pension insurance). An old age pensioner and widow's/widower's pensioner does not pay pension contribution and/or fee. In the case of persons on child care fee (gyermekgondozási díj) child home care allowance (gyermekgondozási segély) or child raising support (gyermeknevelési támogatás) the pension contribution and/or fee payable by the employer is paid by the central budget.

All cash benefits, including old age pensions, family benefits, invalidity pensions, unemployment benefits, sickness benefits, survivor benefits are exportable without any limitation.

8.3. *Withdrawal of family allowance*

According to the Family Support Act the family allowance (családi pótlék) can be withdrawn in the following cases:

An individual uses support without a legal basis who

- a) is not eligible for it, or (the person who doesn't take care of the entitled child draws the benefit illegally);
- b) is eligible for a lower amount than the amount disbursed to him/her.

Those who have collected family support without a legal basis are obliged to repay it if they have been ordered so in writing within 30 days from the collection of support.

After 30 days the illegally claimed family support benefit can be reclaimed from those who are at fault for collecting the support, providing that less than three years have passed from the collection of support or, in the case of continuous support, the termination of the support.

An individual can be blamed for collecting the support, if

- a) the eligible individual knew that the support was not due to him/her, but he/she still collected it;
- b) the eligible individual did not know, because of his/her own negligence, that the support was not due to him/her, but the conditions indicate that he/she should have known it.

The application assessing agency or other agency is obliged to refund a support collected without a legal basis if the establishment or disbursement of the support without a legal basis is the consequence of its negligence or supply of false data and the support cannot be reclaimed.

If several application assessing agencies or other agencies and the individual receiving support are liable for the establishment and collection of the support without a legal basis, they are obliged to reimburse and refund the support collected without a legal basis in proportion to their involvement. If the proportion of involvement cannot be established, the liable parties must be obliged for reimbursement and refund in equal proportions.

If several application assessing agencies or other agencies are liable for the establishment or collection of the support without a legal basis, they shall have joint and several liability for reimbursing the support collected without a legal basis.

The same agency shall adopt a resolution obliging the individual to repay a support collected without a legal basis which disbursed the support collected without a legal basis originally.

Any support collected without a legal basis must be deducted primarily from support which is still being disbursed. If the support collected without a legal basis is no longer disbursed, the amount of support collected without a legal basis can be deducted from the amount of any disbursed support. The deduction cannot exceed 33% of the disbursed support.

Deduction can begin after the entry into force of the resolution obliging the individual to refund the support. Regarding amounts, not recovered with deduction, and excess payments, the amount of claims collected only in a longer period can also be deducted from the wages of the individual using the support.

If the agency or individual obliged to make a repayment fails to meet his/her payment obligation within 15 days from the entry into force of the resolution or payment order, the Family Support Agency adopting the resolution or issuing the payment order can collect the claim as if it were a tax.

Family allowance is paid to other person or institution

According to the Family Support Act in force, the family allowance can be paid if the recipient child is in social or correctional institute.

In such case the guardians with the rights of trustees and public trustees with regard to children raised in a children's home, a correctional institute, or children (persons) subject to child protective care in a law enforcement institute are eligible for family allowance.

If the child is in social institution, the head of the institute is entitled to receive the family allowance. However, he/she has an obligation to collect the money for the entitled child and give him/her back when he/she leaves the institute.

9. Financement

9.1. The methods of financing social security system

Social insurance type benefits are financed through contributions paid by both employers and employees. Deficits of social insurance funds (both health and pension) are financed by the government budget out of its general revenues.

The universal type and social assistance type benefits are non-contributory benefits. They are financed from taxation. Family benefits are financed by the government budget. Social assistance is partly financed by the central budget (90 %) and partly from the local governments' own budgets (10 %).

Table 8

The nature of the financing family protection schemes

Name of the benefit	Financing source
1. Universal type benefits:	Taxation (local + central taxes) (non-contributory)
2. Insurance type benefits :	Contribution (paid by employer and employee)
3. Social assistance type benefits :	Taxation (local + central taxes) (non-contributory)

Source: The author's own source.

9.2. *The contribution rate and ceiling*

In 2005, for the first public pension pillar, the contribution paid by *employees* is 8.5 % of gross earnings if they are only insured in the first pillar. Those employees who are insured in both the first and second pillars, have to pay 0.5 % of their gross earnings to the first pillar and 8 % of their gross earnings to the second pillar. *Employers* shall pay 18 % of the gross earnings exclusively to the first public pension pillar. Self-employed persons pay the total contribution by themselves.

In 2005, the ceiling of pension contribution by insured persons is HUF 16,440 per calendar day, calculated on the basis of three times the gross average earnings per day. The floor of contribution is calculated on the basis of 1/30th of the minimum wage per calendar day. There is no ceiling for the employers' contribution.

For health insurance, insured persons have to pay 4 % of gross earnings and employers pay 11 % of payroll. Self-employed persons have to pay both parts of contributions. Self-employed pensioners have to pay 5 % work accident contribution. No ceilings exist in health insurance. For self-employed persons the contribution rate is fixed according to the minimum wage.

As we could see above, both the insured persons and the employers are obliged to pay social insurance (health and pension insurance) contribution. In some exceptional cases (family benefits and allowance receivers) the employer's contribution is paid by the central budget. However, the family benefit receivers contribution is paid by themselves.

There is no separate social security contribution applicable to the family allowance scheme. The insurance type family benefits are financed from the health insurance contribution. The universal and social assistance type benefits are financed from general (central and local) taxes.

10. Tax relief on the ground of family responsibilities

Deductions from taxable income.

1. *Social assistance* – social assistance provided from the sources of the state, local governments, social security and Church (including free or subsidized meals provided in kind for the child, student, patient or the person entitled to social assistance), but subsidized holidays and subsidized holidays for medical purposes do not qualify as social assistance.

2. *Personal tax allowances in Hungary*

Personal allowances are granted as deductions from the progressive tax due on consolidated earnings. Total amount of allowances may not exceed HUF 100000 and are generally not due above an annual income of HUF 6 million.

The most important allowances are as follows:

- a) Employment tax credit – 18 percent of wages.
- b) *Family tax allowance* – for a single child HUF 3000 per month, for two children HUF 8000 per month, for three and more children HUF 10000 per child and per month (annual income limit HUF 8 million).
- c) Housing loan repayment – 40 or 30 percent of repayment (plus interest), limited to HUF 120000 per annum.

The amount of *family tax allowance* depends on the number of child. The family tax allowance calculated on monthly basis.

The entitled persons to family tax allowance:

- a) The family allowance recipient parent(s);
- b) The pregnant women (when the embryo passed his/her 91st day) or her husband/cohabitant.

11. Ongoing debates and reforms in Hungary

According to the so called 100 steps program of the ruling Hungarian government in 2005 fairer family support means that the community's support is received really by those who are in the greatest need for it. In this last part of my paper I would like to pick up and highlight some reform conceptions and aims which may contribute to make better performance and higher satisfaction of the Hungarian family protection system.

1. Family allowance is almost doubled

Instead of today's supports distributed unevenly from three sources – as family allowance, tax allowance and regular child protection support paid is cash – all the families bringing up children will receive the same, essentially higher amount of family allowance. Family allowance disbursed as allowance for the 13th month will also be incorporated into the amount of the monthly support, thus it will give more uniform help for families bringing up children.

2. An increased amount of family allowance is paid to single parents bringing up children and to parents bringing up permanently ill or disabled children.

3. Family tax deduction will cease for families with one or two children.

The new, uniform family allowance will provide a higher amount of benefit for families bringing up one or two children than the previously combined amount of family allowance and tax deduction. Today a family with two children is entitled to HUF 12,400 family allowance (HUF 6,200 per child) plus tax deduction of HUF 8,000 (HUF 4,000 per child) – provided that they have liability to pay as much tax – so the total amount of support is HUF 20,400 per month. The new family allowance will provide HUF 24,000 for them in

total, that is HUF 3,600 more (HUF 1,800 more per child). Instead of the present, total amount of support (HUF 5,100 family allowance and HUF 3,000 tax deduction), HUF 2,900 more will be paid to families bringing up one child, even if they could use the tax deduction previously.

4. The tax deductions for families with three or more children will remain to a limited extent.

In the case of families bringing up three children, the increased amount of family allowance, HUF 14,000 per child, means a substantially increased support for those who previously were not or were only partially entitled to the tax deduction of HUF 10,000 per child. However, it is HUF 3,800 per child lower for those who could use the maximum amount of tax deduction. (They received HUF 10,000 tax deduction for every child in addition to the family allowance of HUF 7,800 per child.) In the case of families with the highest income it is reasonable to lessen their previous considerable support to some extent. However, it is not justified to bring about a decrease in income for families bringing up several children with average or just slightly more than average earnings. For this reason those whose income does not exceed HUF 6 million annually (HUF 500,000 per month) will continue to receive a tax allowance of HUF 4,000 per month, and over this income threshold it will gradually decrease, ceasing at HUF 550,000 per month. In accordance with the agreement made with the National Association of Big Families, the income threshold for persons bringing up more than three children will increase significantly.

5. The regular child protection support will be incorporated in the new, unified system of family supports.

For lower income families, the new family allowance will also cover the sum of the regular child protection support provided in cash so far, it is higher than the previous, combined amount of their family allowance and child protection support. However, while earlier families in need were entitled to this support only upon submitting an application and after a means test, in future they will receive it as subject right, as part of their family allowance, with due respect to their human dignity.

6. The transformation of the system of social assistance helps to improve the conditions of the most needy persons the best.

The new system of family assistance will provide support equally and uniformly for adult and child members of families struggling with severe financial problems and it will contribute to the expenses of housing. In the framework of this, families bringing up children will be entitled to a separate, targeted financial support for children they provide for. This sum will ensure that the neediest children can receive supports substantially greater than at present.

7. After the child has reached one year of age, the mother can work full time while receiving the total amount of child home care allowance.

In the future the mother will be entitled to child home care allowance even if she has a full-time job after the child has reached one year. The reason for this is that at present many mothers hold back from looking for a job as they will lose their child home care allowance if they start to work. The continued payment of the same amount of support will help mothers with a possibility of employment to find proper care for their children while they are away working.

In the new system of child home care allowance it will be forbidden to perform any kind of work in the future, too, until the child becomes 1 year old. However, after the child reaches one year, the mother is allowed to work not only part time, but also full time while receiving child home care allowance.

8. As concerns the taxation of the income from work received by mothers who work full time, child home care allowance shall be considered – in accordance with current regulations – as pay not liable to taxation.

This method of taxation, previously also applied for the employment of pensioners, means a considerably smaller taxation than in the case when child home care allowance is taxable income for mothers who work. For people receiving the minimum wage no liability to pay taxes arises for GYES, so they will receive the total amount. However, for persons receiving higher, average or more than average income, the support remaining after taxation will be HUF 4-5 thousand smaller than they would receive if this was their only income.

In sum, the Hungarian state provides an extensive support for women who want to (or have to) balance work and family through the provision of public day care, as well as maternity leave benefits and regulations. Women can claim family and maternity benefits as their universal rights, which decreases the stigma attached to housewife status and is a step towards appreciating child rearing as paid work.

The Hungarian maternity benefits seem to be exceptionally generous by European standards as far as their length is concerned. They support child care at home rather than to encourage parental paid work. However, the lifestyle and personal desire of the modern (single) women and men doesn't match perfectly with this family policy.

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Overview of the Hungarian family support benefits

Family supports	Social insurance benefits	Social assistance
Act LXXXIV of 1998 on Family Support	<ul style="list-style-type: none"> - Act LXXXIII of 1997 on the Benefits of Compulsory Health Insurance - Act LXXXI of 1997 on Social Insurance Pensions 	<ul style="list-style-type: none"> - Act XXXI of 1997 on the Protection of Children and on the Public Guardianship Administration - Act III of 1993 on Social Administration and Social Assistance
<p><i>Types of support:</i></p> <ul style="list-style-type: none"> - family allowance (upbringing allowance) - child home care allowance –gyes. - child raising support - gyet (child care support) - birth grant 	<p><i>Types of support:</i></p> <ul style="list-style-type: none"> a) health insurance supports: <ul style="list-style-type: none"> -maternity allowance - child care fee - sickness benefit for persons taking care of a sick child b) pension insurance supports: <ul style="list-style-type: none"> - orphan's allowance 	<p><i>Types of support:</i></p> <p>(child protection act)</p> <ul style="list-style-type: none"> a) regular child protection support (until March 1, 2003: supplementary family allowance) b) irregular child protection support c) advanced guarantee of child alimony d) home settlement support e) benefits in kind <p>(act on social administration)</p> <ul style="list-style-type: none"> f) nursing fee g) temporary social assistance
<p><i>Typical features:</i></p> <ul style="list-style-type: none"> a) benefits provided as citizen's right: they provide basic support for certain groups of the population b) no contribution to be paid c) extent of support: it is not adjusted to the previous standard of living d) benefits provided as subject right: legally enforceable after the fulfilment of statutory conditions, actual need is not examined e) financed by: the central budget 	<p><i>Typical features:</i></p> <ul style="list-style-type: none"> a) insurance type benefits: they provide benefits for insured persons b) contributions to be paid, the extent of contribution depends on the income of the protected person c) extent of support: it is adjusted to the previous level of earnings d) benefits provided as subject right: legally enforceable after the fulfilment of statutory conditions, actual need is not examined e) financed by: the Health Insurance and Pension Insurance Funds 	<p><i>Typical features:</i></p> <ul style="list-style-type: none"> a) assistance type benefits: they provide support for "socially needy" persons b) no contribution to be paid, the beneficiary of the support has no prior obligation to pay contributions c) extent of support: it is not adjusted to previous earnings d) benefits not provided as subject right: the judgement of claims is subject to a means test e) financed by: means of taxation, local government budget, to a small extent by the central budget

Source: The author's own source.

HAJDÚ JÓZSEF

A MAGYAR CSALÁDTÁMOGATÁSI RENDSZER JOGI SZABÁLYOZÁSA

(Összefoglalás)

A jelen munkában a hatályos magyar szociális biztonsági rendszer direkt és indirekt családtámogatási (pénzbeli) ellátásainak három nagy csoportjával foglalkoztunk. Ezek a következők:

1. Családtámogatás
2. Rászorultságon alapuló támogatások (segélyek)
3. Fogyatékosághoz és egészségkárosodáshoz kapcsolódó ellátások

1. Családtámogatások

A családtámogatások célja a gyermek vállalásához kapcsolódó jövedelmi hátrányok mérséklése. Az e körbe tartozó támogatások az alapján különböztethetők meg, hogy azok 1. a gyermeknevelés költségeihez vagy 2. a szülő megélhetéséhez járulnak hozzá.

1.1. A gyermeknevelés költségeihez négy támogatási forma kapcsolódik:

- anyasági támogatás,
- családi pótlék,
- családi adókedvezmény,
- rendszeres gyermekvédelmi támogatás.

1.2. A szülő megélhetését biztosítja:

- terhességi gyermekágyi segély,
- gyermekgondozási díj,
- gyermekgondozási segély,
- gyermeknevelési támogatás.

Az első két ellátás biztosítási jogviszonyhoz kötött, így összege függ a szülő keresetétől. A gyermekgondozási segély és a gyermeknevelési támogatás viszont alanyi jogon vehető igénybe és összegük megegyezik az öregségi nyugdíjminimummal.

2. Rászorultságon alapuló támogatások (segélyek)

A rászorultságon alapuló támogatások a települési önkormányzatok közvetítésével jut el a lakossághoz. Mivel a lakosság anyagi természetű szükségletei különböző okokra vezethető vissza, a segélyezésnek is több típusa alakult ki. Vannak megélhetéshez kapcsolódó a) jövedelempótló támogatások és vannak b) jövedelem-kiegészítő segélyek.

a) Jövedelempótló támogatások

A jövedelempótló ellátások jellemzően hosszabb időtartamú, havi rendszerességgel folyósított támogatási formák, amelyek a jövedelmi szegénység mellett meghatározott élethelyzethez kötöttek (pl. tartós munkanélküliség, ápolásra szoruló családtag, idős kor). Ezen ellátások normatívák, vagyis a törvényben rögzített jogosultsági feltételek teljesülése esetén a támogatások megilletik az igénylőket. Az önkormányzatok szabályozási hatásköre meglehetősen korlátozott, finanszírozásukban pedig a központi költségvetés részesedése a meghatározó (90 %-os mértékű). E körbe az alábbi ellátások tartoznak:

- rendszeres szociális segély,
- ápolási díj.

b) Jövedelem-kiegészítő segélyek

A kiegészítő segélyek két csoportra bonthatóak: ba) az ún. kiadáskompenzáló ellátások és bb) az eseti segélyek.

ba) A kiadáskompenzáló támogatások a legfontosabb alapszükségletekhez (lakhatás, egészség, eltemettetés) kapcsolódnak. E körbe az alábbi ellátások tartoznak:

- lakásfenntartási támogatás,
- adósságkezelési támogatás,
- közgyógyellátás,
- temetési segély.

bb) A kiegészítő segélyek másik csoportját az eseti segélyek (átmeneti segély, rendkívüli gyermekvédelmi támogatás) képezik. Ezen ellátásoknál a törvény csak a rendkívüli élethelyzetet nevesíti, ami tartósan is fennállhat (pl. tartósan alacsony jövedelem). A jogosultsági feltételeket a törvényi előírások betartása mellett az önkormányzatok rendeletei határozzák meg, az e célra szánt kiadásokhoz pedig a központi állam normatív támogatással járul hozzá.

3. Fogyatékosághoz és egészségkárosodáshoz kapcsolódó ellátások

Az egészségkárosodott, illetve fogyatékos személyeket megillető pénzbeli támogatások jelenlegi formájukban szerteágazóak, egymást részben átfedőek. Funkciójuk alapján két nagy csoportba sorolhatóak. Az egyik a rendszeres jövedelem hiányát pótló, megélhetést szolgáló ellátások, a másik pedig az állapotból adódó többlet megélhetési költségekre tekintettel nyújtott kiegészítő jellegű támogatások.

3.1. A rendszeres jövedelem hiányát pótló ellátások:

- rokkantsági járadék,
- megváltozott munkaképességűek járadéka,
- rendszeres szociális segély.

3.2. A többletkiadásokat kompenzáló kiegészítő jellegű ellátások:

- fogyatékosági támogatás,
- súlyos mozgáskorlátozottak közlekedési kedvezményei.

A magyar családtámogatási ellátások három meghatározó jelentőséggel bíró csoportja közül tanulmányunkban elsősorban a biztosítási és univerzális alapon járó gyermek- és családtámogatási, valamint néhány – a téma szempontjából releváns – családtámogatás és némely rászorultságon alapuló pénzbeli ellátás szabályaival foglalkoztunk. Felvázoltuk az ellátások rendszerét, történelmi kialakulásának legfontosabb lépéseit, alanyi hatályát, finanszírozási kérdéseket stb. A szerző reménye szerint a tanulmány egy olyan átfogó és rendszerező képet nyújt, amely segítségével a meglehetősen komplex családtámogatási rendszer főbb sajátosságai áttekinthetővé válnak.

