

11. Hungary

Gábor Kártyás

Hungary’s compulsory social security system covers all natural persons working in Hungary, regardless of their nationality. Thus, as a general rule, third-country nationals working in Hungary are covered by the Hungarian social security system and they enjoy the full spectrum of health, pension and accident services and benefits. Social security does not cover third-country nationals posted to Hungary if the assignment does not exceed two years, however. This exception also applies to temporary agency workers. Third-country nationals may also be eligible for some social allowances (unemployment and family benefits), on condition that their employment in Hungary exceeds six months.

Table 1.11 Overview of the relationship between form of migration and entitlement to a particular social security service

Third-country-national categories	Social security categories					
	Health insurance	Pension contributions	Unemployment insurance	Basic security (social assistance)	Insurance against accidents at work	Child benefits
Posted workers	No	No	No	No	No	No
Intra-corporate transfers	Yes	Yes	If employment exceeds 6 months.	Yes	Yes	If employment exceeds 9 months.
Seasonal workers	Yes	Yes	No	Yes	Yes	No
Temporary agency workers	No	No	No	No	No	No
High-level professionals	Yes	Yes	If employment exceeds 6 months.	Yes	Yes	If employment exceeds 6 months.
Self-employed	Yes	Yes	If employment exceeds 6 months.	Yes	Yes	If employment exceeds 6 months.

Source: Author’s analysis, 2022.

Description of the Hungarian system

1. Overview of social security rights of short-term third-country-national migrant workers

The Hungarian compulsory social security system covers the citizens of Hungary and all other natural persons working in Hungary, regardless of their nationality (Act 122 of 2019 on entitlements to social security benefits and on funding these services [hereinafter: Social Security Code] Article 1(1)). Thus, as a general rule, third-country nationals working in Hungary are covered by the Hungarian social security system and they enjoy the full spectrum of health, pension and accident services and benefits.

Social security does not cover third-country nationals employed on the territory of Hungary, however, if:

- they are employed by a foreign employer not registered in accordance with Hungarian laws, and
- work is performed within the framework of posting, temporary assignment or temporary agency work, and
- such employment does not exceed two years, and
- three years has lapsed following the termination of previous employment in Hungary (Social Security Code Article 17 (2) point a)).

If all these conditions are met, the third-country national remains under the social security system from which they were posted or assigned to Hungary.

Third-country nationals may also be eligible for some social allowances:

- all unemployment benefits, if the third-country national holds a single permit and has been employed in Hungary for at least six months (Act 4 of 1991 Article 2 (3));
- all family benefits, if the third-country national holds a single permit and the employment was authorised for more than six months (in case of intra-corporate transfer, for more than nine months);
- family benefits except maternity benefit, if the third-country national holds an EU Blue Card [Act 84 of 1998 on family benefits, Article 2 ae) and af)];
- old age benefit (an allowance for those who are over the pension age but are not eligible for old age pension), if the third-country national holds an EU Blue Card or single permit or residence permit issued under Directive 2016/801 (Act 3 of 1993 Article 3 (4), (4c) and (4d)).

2. Differences in social security rights of different categories of short-term third-country-national migrant workers

(i) Third-country-national seasonal workers

There are no special rules.

(ii) Third-country-national posted workers

Social security does not cover third-country nationals employed in the territory of Hungary if they are posted for a maximum of two years (Social Security Code Article 17 (2) point a). The posted worker is eligible for services from the Hungarian Social Security System only if it is prescribed by EU law or an international agreement (Social Security Code Article 3 and 22 (2)). There are a number of bilateral social security agreements with third countries that contain different rules from the Social Security Code. The difference is that under these agreements the posted worker stays longer under the social security system of the home state. In some of the agreements this exemption applies also to self-employed persons working in Hungary temporarily.

(iii) Third-country-national temporary agency workers

The same rules apply as to posted workers.

3. Conditions for obtaining different social security rights

Insurance coverage commences and ends simultaneously with the commencement and termination of the employment relationship (Social Security Code Article 8). Third-country nationals are eligible for the different services of the social security system under the same conditions as nationals.

4. Portability of benefits between host country and country of origin

Portability of benefits is not guaranteed as a general rule. Third-country nationals posted from EEC countries, however, fall within the scope of EU Regulation 883/2004 and thus may make use of its principles. Similar provisions may also appear in bilateral social security agreements with third countries.

5. Social security rights of short-term third-country-national migrant workers during the Covid-19 pandemic

No special measures were introduced during the pandemic.

6. Overview of enforcement and monitoring

If the employer does not declare the work-related relationship to the tax authority then the third-country national will not be covered by social security. The labour authority has the authority to inspect employers and implement sanctions for undeclared work (Act 135 of 2020 Article 7). Compliance with social security rules is monitored by the National Health Insurance Fund (healthcare) and the Hungarian State Treasury (pensions) (Governmental Decrees 168/1997 and 386/2016).