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# News Flash

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**Wage supplements in Hungary 2016**

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The matter of wage supplements could affect almost every employee, because it is a completely generalized set of regulations and covers many conditions, but many people are not aware of the criteria and details of it. That is why it could be important to mention the main elements and clarify, that when and which kind of allowances are employees are entitled to. Although we cannot discuss every wage supplement in this article, but we tried to highlight the main elements and successfully cover the most common types.

### Introduction

Currently we call every allowance as wage supplement; what the employees get when their work condition differs from the normal. This could be either different way of work, in different time or different duration. The basis of wage supplement is the basic salary from the labour contract, and employees are only entitled for additional allowances by a certain way and level specified by categories. In our current article, we are going to review the most important information about these main allowances.

### Shift allowance

According to the Hungarian Labour Code, shift supplement is an additional payment, what's primary condition is that may be paid only for the additional work between the period of 6 p.m. and 6 a.m. However, the conditions are more complex, as it regulates that it only affects employees who are working in a regularly changing time interval and those will not affect those, who are working permanently during this period.

Employees are only clearly entitled to this allowance, if the number of their workdays differs from their work schedule starting time for at least 1/3 in an actual month, with 4 hour difference between the earliest and latest

starting time. The rate of this allowance is 30% which only affects the period between 6 p.m. and 6 a.m. and while in case of a collective agreement, employers may exclude this condition; in case of wage agreement the contract only can differ in favour to the employee.

If the shift supplement is applied on public holidays, the employer should provide this allowance in addition to the wage given on that day.

### Night shift allowance

Only those employees are entitled for night shift pay who are working between 10 p.m. and 6 a.m. at least one hour and not entitled to shift supplement. The night shift pay is given for only a period set in law; the rate of this allowance is 15%. While in case of a collective agreement it can differ to any direction, but in case of labour contract/wage agreement, it only can differ in favour to the employee.

If the night shift pay is applied on public holidays, the employer should provide this allowance in addition to the wage given on that day.

## Non-work day allowance

According to the Hungarian Labour Code, in Hungary the following days count as public holidays (red-letter non-work days):

- January 1 (New Year's Day)
- March 15 (1848 Revolution Memorial Day)
- Easter Monday
- May 1 (Labour Day / May Day)
- Whit Monday
- August 20 (National Day)
- October 23 (1956 Revolution Memorial Day)
- November 1 (All Saints Day)
- December 25-26 (Christmas)

If the public holiday falls on a Sunday, then the rules of non-work day pay should be applied and not the rules of Sunday workday. The rate of this supplement for these days is 100%, only employees can work on the day of public holiday during normal working hours and pay, who's working in a job role, what is needed for general safeguarding, preventing/averting health and environment threatening risks or because of generally accepted social standards and needs (entertainment and tourism).

## Overtime allowance

Perhaps this type of wage supplement is the most common and could affect most people. The overtime work means that period of time, when the employees no longer have any working obligations according to their working hours, but they still have to continue their work or they have to start work on their rest day, public holiday or vacation. However the amount

of overtime work cannot be unlimited, and their detailed rules and conditions are outlined in law. According to the law, every employee (together with the overtime work) can only work 12 hours daily and 48 hours week at most; is entitled to the 8 hour rest period between the work shifts and entitled to the 2 day rest day weekly, regardless of the overtime works.

In case of full time employment, the amount of overtime work with labour contract/wage agreement is controlled by 250 hours yearly, while in case of collective agreement, it is controlled by 300 hours yearly, which should vary by an equivalent amount if the employee started to work during the year and if this 'framework' runs out, employers no longer have any legal option or opportunity to put their employees to work.

Employers can compensate their employees about the overtime work in three ways

- rest day
- free time
- wage supplement

In case of overtime work the rate of this allowance is 50%. If the overtime work falls on a rest day or on a public holiday, this rate is modified to 100%, but if the employer wants to provide a rest day in exchange, the 50% wage supplement is still compulsory.

## Sunday workday allowance

The modified regulations about the Sunday workday supplement are the most actual, because since the Hungarian Government revoked law on the Sunday shopping ban, the conditions of this supplement has changed, employees are now entitled to only a 50% allowance rate instead of the previous 100%. However, this Sunday workday supplement is not intended for everyone, those employees who are working on Sundays due to the type of their employment, not just because of their organization of work are still not entitled to this supplement. This includes employees who are working in commerce, who are at standby work and who are working in a shift work schedule.

## Stand-by and on-call allowance

The call duty and duty is an interesting exception, because normally in this case there is no actual working, just the employee have to be continuously available and standby until called to work. The difference between them is that in case of on call duty, the employees can determinate the place where they are staying until the time of availability, while in case of emergence duty, the employers determinate the place where the employers have to stay. From that moment, that the employee starts to work, from then it falls under the category of extraordinary work. It is important, that an on call only can be ordered, if the technology used

during the work is requires the continuous work/lookout, if the employee is needed for general safeguarding, preventing/averting health and environment threatening risks or if the job is needed in order to serve the public needs. If employers want to order their employees in for a stand-by or an on-call, at that case, according to the local law, they should represent the plan and the details of it to the employee, a month before the actual workday. The duration of the on-call is controlled by 250 hours yearly in case of a labour contract/wage agreement and by 300 yearly in case of a collective agreement.

## Extraordinary work allowance on weekly rest day

If employers order their employees in for an extraordinary work on their weekly rest day, then employees are entitled to a 100% wage allowance, or to a 50% wage allowance if the employer can provide and additional rest day for and employers has the right to decide, which way they want to choose.

Of course, this is just a general summary, it is impossible to include every detail. Therefore if you feel that you want to know more about the wage supplements in Hungary, their condition and amount and you need additional details, feel free to contact us, our advisors would be pleased to help you.

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