

Family policy in Hungary

Family policy in Hungary refers to the government measures that have been passed to increase <u>Hungary</u>'s birth rate and to stop the decline of the country's population. Hungary has a family policy that seeks to subsidize childcare for new parents.

History

Hungary's population has been declining since 1980 when the country's population peaked at 10.7 million. It is the country in Europe whose population has been shrinking for the longest time. The main cause is that women on average do not have at least 2.1 or more children, which is needed to keep the population stable (see <u>TFR</u>). No government has reversed this trend since 1980, but there were several visible alterations during the last decades. It fell from 2.17 in 1977 to 1.23 in 2011. The <u>Bokros package</u>, the <u>financial crisis of 2007–2008</u>, and the <u>European debt crisis</u> all accelerated the downward trend.

Current situation

The <u>Second Orbán Government</u> made saving the nation from the demographic abyss a key policy goal. Therefore, it has introduced generous breaks for large families and greatly increased social benefits for all families. Those with three or more children pay virtually no taxes. In just a couple of years,



The *Szabó family*, the most famous soap opera in Hungary during the second half of the 20th century, was a typical depiction of a Hungarian family of the time.

Hungary went from being one of the countries spending the least on families in the \underline{OECD} to being one of those spending the most. [4] In 2015, it spent almost 4% of its GDP on family-related matters. [5]

Support in salaries

The Orbán Government kept the already existing family allowance (<u>Hungarian</u>: családi pótlék)^[6] and further introduced the family tax benefit (Hungarian: családi adókedvezmény).^[7]

Tax benefits

Tax benefits depend on the number of children. As of 2024, the following is current. With one child, the taxable income will be reduced by 66,670 HUF per month. For two children, the taxable income will be reduced by 133,330 HUF per child per month. For three of more children, the tax base will be reduced by 220,000 per child per month. [8] Further, mothers with four or more children are completely exempt from income taxes. [9]

Marriage support

The government introduced the discount for first married couples (<u>Hungarian</u>: első házasok kedvezménye): newly-married couples receive together 5,000 HUF per month for 24 months after marriage. [10]

Housing support

Since 2015, the CSOK (*családi otthonteremtési kedvezmény*, <u>transl.</u> family housing benefit) can be utilized by married couples for used or newly-built houses and apartments if they promise to have one, two, three, or four children. The amount of support depends on the number of children that the couple plans to have. At least one of the parents must be under 40 years old. They also have to meet the following requirements: no criminal record and 180 days of social security payment before the request (in case of one or two children) or 2 years of social security payment (in case of 3 or more children). The children - who could be biological or adopted - have to live with the parents to fulfill the criteria. They can get CSOK as a fixed sum of money or as a preferential mortgage rate on housing. The sum can be calculated as follows: [11]

Number of children	Buying new apartment or house Area	Buying new apartment or house Preferential mortgage rate	Buying used apartment or house Area	Buying used apartment or house Preferential mortgage rate
1 child	Minimum 40 m ² apartment or 70 m ² house	600,000 HUF	Minimum 40 m ² apartment or house	600,000 HUF
2 children	Minimum 50 m ² apartment or 80 m ² house	2,600,000 HUF	Minimum 50 m ² apartment or house	1,430,000 HUF
3 children	Minimum 60 m ² apartment or 90 m ² house	10,000,000 HUF + 10,000,000 HUF fix payment	Minimum 60 m ² apartment or house	2,200,000 HUF
4 or more children	Minimum 60 m ² apartment or 90 m ² house	10,000,000 HUF + 10,000,000 HUF fix payment	Minimum 70 m ² apartment or house	2,750,000 HUF

Families can also refund most of their taxes up to 5 million HUF that they pay for house and building material purchases. Finally, they need to pay only 5% in $\underline{\text{VAT}}$.

Transportation support

Families with three or more children receive a 2,500,000 HUF supsidy for the purchase of a seven seater car. [13] Children may use public transport for free if they are accompanied by an adult and do not attend school yet. Pupils, students and undergraduates may use public transport at half price by showing their student card. [14]

Maternity benefit

The amount of the maternity benefit is equal to the 225% of the minimum pension at the time of birth of the child (64,125 HUF in 2017); in case of twins, it is 300% (85,500 HUF in 2017). It is a one-time support. [15]

Child care allowance

The child care allowance is paid monthly if the child has reached the age of 2. The amount is equal to 70% of either the mother or the father's salary up 140% of the current minimum wage, which was 138,000 HUF in 2018. [16]

Free or reduced cost services for children

Several measures were introduced since 2010 that made services free or cheaper for families with children.

Vaccinations against the following diseases are free and obligatory in Hungary: <u>tuberculosis</u>, <u>diphtheria</u>, tetanus, pertussis, poliomyelitis, <u>haemophilus</u> influenzae, <u>measles</u>, <u>mumps</u>, <u>rubella</u>, <u>hepatitis</u>, <u>streptococcus</u> pneumoniae. [17] The government made vaccinations for other diseases such as chicken pox, both types of meningitis and rotavirus free in 2018. [18]

Children in the first nine years get free textbooks in school from 2017. Those in higher years but living in disadvantaged conditions, suffering from long-term illness, receiving child protection benefits, or living in a large family with three or more children are also entitled to free textbooks. However, the government plans to provide free textbooks for every pupils and students until the final exam. [19][20]

Children who live in disadvantaged conditions, suffer from long-term illness, get child protection benefits, or live in a large family with three or more children also get free or half-priced meals in nurseries, kindergartens and schools. Meanwhile, others get them on reduced prices. [21][22]

Those younger than 20 who will get a <u>European driving license</u> in Category B (<u>motor vehicles</u>) may both take a course on the *KRESZ* (similar to the British <u>Highway Code</u>) for free and try the test for the first time at no charge. [23]

For those getting a successful language exam at the B2 or the C1 level, the price of the exam is refunded by the state if the examinee is under 35 years old. [24]

Support for parents

Parents of one child have 2 days extra paid vacation. Parents of two children get 4 days. Parents of three or more children receive seven extra paid vacation days, compared to the average Hungarian. [25]

Support for grandmothers

The *Women 40* (<u>Hungarian</u>: *Nők 40*) program makes it possible for women who have worked 40 years to retire to get more time to spend with grandchildren or with their own parents. [26]

Support of Hungarians outside of Hungary

Maternity benefit (outside of Hungary)

Maternity benefit is a one-off support to Hungarian mothers living abroad and amounts to 64,125 HUF per child. In the case of twins, the amount is 85,500 HUF together. [27]

Baby bond (outside of Hungary)

Every Hungarian parent living outside of Hungary may have a 42,500 HUF account per child. The money stays in the bank and bears interest until the child reach the age of 18, When the person may get the final amount. [28]

See also

Demographics of Hungary

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Further reading

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