



**Sustainability@Leave**

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# Parenting Leave Policies in Hungary and Inequalities



# Historical and policy context

- Historically
  - declining/low fertility rates a worry among the intellectuals and policy makers back from 1920s
  - Hungary predeceased other CEE countries in declining fertility and population
- Recent economic and social policy developments (2010-)
  - workfare society: the promise of 1 million new jobs and „full” employment, insurance-based benefits dominant within the welfare system (historically)
  - family policy: *Family-friendly Hungary* campaign; reaching replacement-level TFR by 2050 as an explicit objective





## Parenting Leaves in Hungary: Types of Leave and Design Elements



# Parenting Leave Policy in Hungary: Maternity leave

- Gábos and Makay (20125)

As a general rule, parents are entitled to non-paid parental leave from birth until the age 3 of the child, on an individual basis

- Baby-care allowance (*csecsemőgondozási díj, CSED*)
- Length: 24 weeks, up to 4 weeks before births
- Payment: 100% of average daily earnings, no upper limit, SSC (on pension, 10%) to be paid, FTC applies
- Eligibility:
  - all mothers are entitled to 24 weeks unpaid leave
  - employees and self-employed with employment record (at least 365 days within 2 years prior birth) are entitled to paid leave

# Parenting Leave Policy in Hungary: Parental leave

- Two strands depending on one's employment record
  - Insured parents: childcare fee (*gyermekgondozási díj, GYED*) – from 1985
    - Length: from the end of the Maternity leave period until the child's second birthday, for insured parents Payment: 70% of average daily earnings, up to a limit of 70 per cent of twice the minimum daily wage, SSC (on pension, 10%) to be paid, FTC applies
    - Eligibility: same as for maternity leave + students under certain conditions
    - Employment: a parent can work unlimited hours after the child turns six months old, while still receiving the full benefit
  - Non-insured parents: childcare allowance (*gyermekgondozást segítő ellátás, GYES*) – from 1967
    - Length: from birth until the child's third birthday; can be taken after GYED, too; longer if have twins or child with long-term illness/disability
    - Payment: lump sum: HUF 28,500/EUR 75 (unchanged since 2009), SSC to be paid (pension)
    - Eligibility: all parents/guardians.
    - Employment: a parent can work unlimited hours after the child turns six months old, while still receiving the full benefit
  - Non-insured parents: childbearing support (*gyermeknevelési támogatás, GYET*), parents of 3+ children



# Parenting Leave Policy in Hungary: Paternity leave

- Paternity leave has no separate name in Hungarian; it is just listed as one of the eligible reasons for leave days in the Code of Labour legislation.
- Length: 10 working days (from 2023), in accordance with the work-life balance directive (2019/1158, 20/6/2019)
- Payment:
  - 100 per cent of absence fee (i.e., equal to the payment received for annual leave), with no upper limit on payment during the first five days;
  - 40 per cent of absence fee for days six to ten.
- Eligibility: all employed, biological and adoptive fathers.
- Leave can be taken during the first two months of the child's life and can be split into no more than two periods



# Parenting Leave Policy in Hungary: recent changes

- Change in employment conditions of childcare fee in two steps: 2014 (part-time) and 2015 (GYED extra): a parent can work unlimited hours after the child turns six months old, while still receiving the full benefit
- Extension of paternity leave from 5 to 10 day, following the EU work-life balance directive (2019/1158)
- Childcare fee is tax free from July 2025 onwards, before PIT (15%) was applied
- Life-time PIT exemption of women with at least two children (in several steps since 2025)





# Inequality-Reducing and Inequality-Generating Elements of Parental Leave Design in Hungary



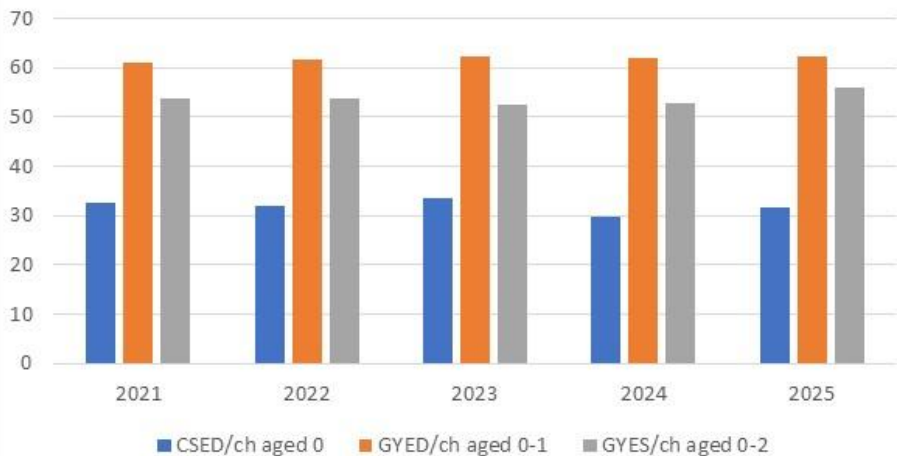
# Who is eligible, who not?

- Everyone is eligible for an unpaid parental leave until the 3rd birthday of the child on an individual basis
- With employment record: two years of paid leave (100% percent replacement rate for 24 weeks and 70% until the second birthday of the child)
- Without employment record: low amount lump sum until the third birthday of the child
- No citizenship required
- Not eligible: same sex couples are not eligible neither for parental or paternity leave as a couple, as they are neither allowed to marry nor to adopt

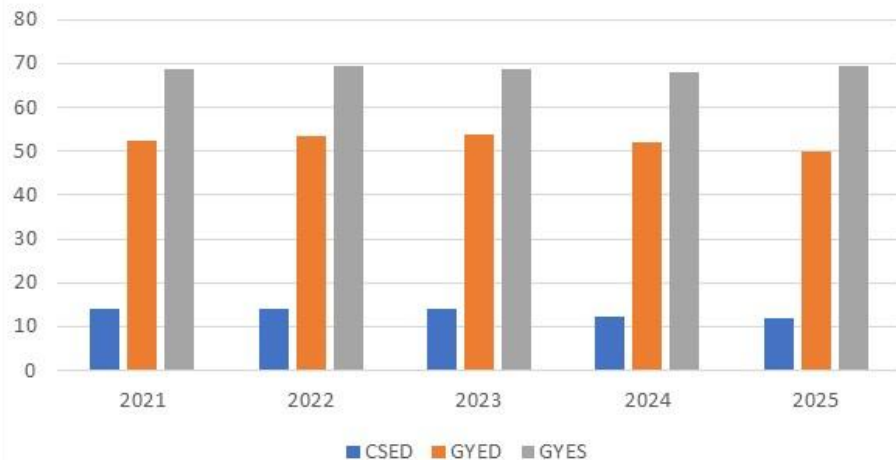


# Take-up rates

Benefit take-up rates in child cohorts



Take-up rates by 1,000 childbearing age (15-49) women



**Source:** own calculations based on data provided by the Hungarian Central Statistical Office.

[https://www.ksh.hu/stadat\\_files/szo/hu/szo0050.html](https://www.ksh.hu/stadat_files/szo/hu/szo0050.html); [https://www.ksh.hu/stadat\\_files/nep/hu/nep0003.html](https://www.ksh.hu/stadat_files/nep/hu/nep0003.html)

# Parenting Leave Policy in Hungary and Gender Equality

- Formal gender-neutrality: except for maternity leave, either parents can take the leave, but not at the same time; *de facto* mothers take leave
- There is no non-transferable paternity leave
- Still low, but increasing take up of GYED among fathers ([Sztáray and Drjenovszky, 2021](#)): 22% in 2020 (GYED extra) instead of 5% in 2008. These figures may not cover the actual situation.
- Employment effects:
  - Traditionally low maternal employment, large gender gap among parents
  - GYED extra: more flexibility and increased employment in 2010s, although slightly widened gap (change in methodology since 2021, coupled with narrowing gap) ([OECD, 2022](#))
  - Formal childcare coverage is still low (in 2024, 0-2 years, >30 hours weekly: 14%, 0-2 years, less: 3%+; [Eurostat](#)), although increasing overall
- Cultural norms reinforce a quasi-male breadwinner model during the first 3 years of the child





## Final Discussion



# Parenting Leave Policies in Hungary and Inequalities

- Horizontal vs vertical redistribution
- Effects on: fertility, employment, household income/inequality/poverty, child well-being
- Research gaps:
  - Fertility effects and child well-being are less examined
- Data gaps:
  - Linked administrative databases are available
  - Unreliability of EU-SILC income data in Hungary

