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Factsheet for case **HU-2020-17/722**

Working time banking period raised in the pandemic situation

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|--------------|---|
| Country | Hungary, applies nationwide |
| Time period | Open ended, started on 25 April 2020 |
| Type | Legislation or other statutory regulation |
| Category | Employment protection and retention – Working time flexibility |
| Case created | 17 April 2020 (updated 20 April 2020) |

Background Information

Under the government decree 104/2020 which contains details on decree 47/2020 laying out the main economic covid defence measures, employers can raise the period of allocated cumulative working time (working time banking) to 24 months during the period of the covid emergency. The measure was designed to make working arrangements more flexible for the employer to help protect jobs in companies where business has shut down or work reduced due to the pandemic.

Content of measure

The new measure states that the rules of the Labour Code capping the working time banking period at 4 months (or 6 months in some professions) will now not apply. The Labour Code (modified in late 2018) earlier allowed the working time banking frame to be raised to 36 months only by collective agreement. Now employers can use this method of working time arrangement for up to 24 months without signing/modifying a collective agreement. This means that an employer who is unable to give work to the employee during the pandemic period will continue to pay full wages, but can order extended working hours to make up for the loss when business returns to normal

Use of measure

Trade unions widely protested this measure, saying that it could “tie” the employee to the company for two years, if work not available now would have to be made up for in coming years. The VDSZ union recommended using working time banking system until 31 December 2020 only. The union said the measure would not prevent any job cuts.

Actors, target groups and funding

| Actors | Target groups | Funding |
|--|----------------------------|-----------|
| National government Trade unions Company / Companies | employees All companies | Companies |

Social partners

| | |
|-------------------------|----------------|
| Role of social partners | Informed |
| Form of involvement | No involvement |

Trade unions vocally protested the measure and have vowed to challenge it European courts.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 18 March 2020: Government decree 47/2020 (EN)
- 13 April 2020: Govt comments on hushed up Labour Code amendment (www.portfolio.hu)
- 14 April 2020: Emergency state: deviating from Labour Code (ado.hu)
- 15 April 2020: Trade union: Govt takes revenge with 'new slave law' (www.atv.hu)
- 25 April 2020: Government decree 104/2020