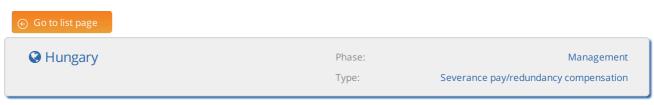
related policies

agency providing knowledge to assist in the development of better socitမ်း employment and work-

# **EMCC**

European Monitoring Centre on Change

## Hungary: Severance pay/redundancy compensation



🛗 Last modified: 09 September, 2019

Native name: 2012. évi I. törvény a Munka Törvénykönyvéről

English name: Act I of 2012 on the Labour Code

### Article

41, Section 77; 45, Section 85

### Description

An employee shall be entitled to severance pay if his/her employment relationship is terminated:

- by the employer;
- upon the dissolution of the employer without succession; or
- if during a transformation as a legal succession or a business transfer, the transferee employer is not covered by the labour code.

The entitlement to severance pay shall only apply upon the existence of an employment relationship with the employer for certain time lengths (specified below) at the time when the notice of dismissal is delivered or when the employer is terminated without having a legal successor. The regulation foresees that, in terms of entitlement for severance pay, any period of at least 30 consecutive days for which the employee did not receive any wages shall not be taken into consideration, with the exception of:

- $\bullet$   $\,$  maternity leave and any leave of absence without pay for nursing or caring for a child; and
- any leave of absence without pay taken for the purpose of actual reserve military service for a period of no more than three months.

Severance pay shall be the sum of the absentee pay due for:

- one month, for up to three years of service;
- two months, for up to five years of service;
- three months, for up to 10 years of service;
- four months, for up to 15 years of service;
- five months, for up to 20 years of service; and
- six months, for up to 25 years of service.
- The amount of severance pay shall be increased by 1-3 months' absentee pay (as detailed in the labour code) if the employment relationship is terminated within the five-year period before the date when the employee reaches the age limit for old-age pension. There are slight differences to this timeline if the worker is employed in the public sector.

The employee shall not be entitled to receive severance pay if:

- he/she is a pensioner at the time when the notice of dismissal is delivered or if the employer terminated without succession;
- he/she is dismissed for reasons connected with his/her behaviour in relation to the employment relationship or on grounds other than health reasons, or
- he/she is employed on a fixed-term contract.

### Comments

Collective agreements can derogate from the above provisions on severance payments, also to the detriment of workers concerned (hence the collective agreement could set, at least in principle, lower severance pay than stipulated by legislation).

There is no direct legislation regarding severance pay in collective dismissals.

# Cost covered by Employer Involved actors other than national government Employer organisation Trade union Works council Thresholds No, applicable in all circumstances Sources 2012. évi l. törvény a munka törvénykönyvéről Act I of 2012 on the Labour Code Employment protection law database of the OECD Law XXXIII of 1992 on the Status of Civil Servants

# Useful? Interesting? Tell us what you think. Eurofound welcomes feedback and updates on this regulation Your name \* E-mail \* More information? Homepage Subject Comment \*

Euro	opean Monitoring Centre on Change - EMCC	
A	bout EMCC	
	uropean Restructuring Monitor	
	About the European Restructuring Monitor	
>	Restructuring events database	

> Restructuring support instruments	
> Restructuring related legislation	
> Restructuring case studies	
> ERM publications	
European Jobs Monitor	
Labour market research	
Case studies	
Future of Manufacturing in Europe (FOME)	
European Observatory on Quality of Life - EurLIFE	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	
European Observatory of Working Life - EurWORK	

### Quick links

- Legal information
- Data protection
- Environmental policy
- Subscriptions
- Multilingualism
- Templates for Eurofound reports
- Eurofound style guide
- Management Board extranet
- Map how to get to Eurofound
- Sitemap











### Contact us

 $\hbox{E-Mail: information@eurofound.europa.eu}\\$ 

Press: media@eurofound.europa.eu



MEMBER OF THE NETWORK OF EU AGENCIES



EUROFOUND ACHIEVES EMAS REGISTRATION





