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Hungary: Redundant employees entitlement to public support

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Hungary

Phase:

Management

Type:

Redundant employees entitlement to public support

Last modified: 10 December, 2021

Native name:

A strukturális változásokhoz való alkalmazkodás segítése

English name:

Supporting the adaptation to structural changes

Article

Government decree 1006/2016 (I. 18.) on the annual development budgets of Economic Development and Innovation Operational Programmes (GINOP); Priority project "Helping to adapt to structural changes" GINOP-5.3.10-VEKOP-17-2017-0001

Description

This programme is implemented by the public employment service to support the training of people who are affected by redundancy, and those whose jobs are at risk due to upcoming structural or technological changes, as well as for the adjustment to a new job for unemployed people. The programme will provide support for the employers until the end of 2022.

The priority project implemented by the National Employment Service serves to manage redundancies, preserve the jobs of workers affected by restructuring and address labour shortages by supporting the training of workers who are threatened by losing their jobs in the context of structural and technological changes. It covers the costs of integration and training in the workplace in the case of jobseeker employment. The project also finances support for the management of the economic crisis in the context of the COVID-19 pandemic situation, the prevention of the downsizing of firms in difficulty, and the protection of jobs.

The implementation of the project covers the whole country and it is overseen by the Ministry of Innovation and Technology and a consortium of government offices in each county and the capital. The resources available for the implementation of the project are HUF 100 billion (€277.8 million). The duration of the project is from 1 January 2018 to 31 October 2022.

Target groups and elements of the project to help adapt to structural changes

I. Prevention and management of redundancies

This component may involve an employee affected by a collective redundancy as notified by his employer (private sector, public sector) to the government office or whose employment is expected to be terminated within one year, and the employer has communicated this in writing to the employee and the public employment body in advance. The government office assists the employee in re-employment as soon as possible with training and labour market services. Funding for training the employee is not provided to the employer. The employee, instead, must register directly with the employment department of the government office closest to their place of residence and choose from among available courses. Training costs are 100% refundable.

II. Training of workers affected by structural or technological changes

Employers and their employees affected by structural or technological changes are the target group of the programme element. The component helps to train the employee concerned and preserve their workplace through support to the employer. **Any change related to the development of the economic environment that requires adaptation by the employer or employees, affects employers' needs for skills or competences, and requires the acquisition of new qualifications or competences may be considered a structural change. A technological change means any change related to a change in the work equipment or technology used, or a change in the production process.**

Within the framework of this component, the employer must submit an application for the training and re-training of employees to the employment department of the government office closest to its place of establishment. The aid is intended to reimburse up to 75% of training costs (including exam costs). If the employee has reached the age of 45 at the time of the application, training costs may be reimbursed 100%.

The employer receiving the aid must continue to employ the workers in training for the same period as the training.

III. Support for workplace training when recruiting registered jobseekers

This programme element facilitates the training and integration into the workplace of the registered jobseeker(s) to be recruited by the employer through the support provided to the employer for the wages of the trained employee. The allowance may be granted for the

training of two registered jobseekers, provided that at least one of them is a disadvantaged registered jobseeker. The maximum cost of 50% of the wage of the worker assisting in training new workers may be granted for a maximum period of 90 days, during which the allowance may not exceed HUF 180,000/month (€500). If the employer employs a registered jobseeker with disabilities, the allowance may be granted even if only one person with disabilities is employed, in which case the maximum 100% wage cost of the training worker's wage may be granted for a maximum period of 12 months, during which the allowance may not exceed HUF 360,000/month (€1,000). A further condition for receiving the aid is that the employer concludes a contract with the jobseekers for at least 12 months.

IV. Support for short-time work during an emergency (Wage support for job protection)

The component helps to preserve jobs by supporting short-time work for workers in the context of the COVID-19 pandemic emergency (see also [Wage support programme for job retention](#) – Kurzarbeit with training obligation, case HU-2020-18/640 (measures in Hungary), COVID-19 EU PolicyWatch).

Results of the 'Help to adapt to structural changes' project

Since the project was launched, support has been provided to preserve or re-establish the jobs of more than 189,000 workers nationwide.

Within the framework of the programme, it was possible to jointly submit applications for short-time work allowance to employers and employees under the Employment protection action plan in the Job protection wage support programme from 16 April 2020 to 31 August 2020. The aid was granted for three months, with a total of 8,755 people receiving it, thus contributing to the preservation of jobs and the easing of the COVID-19 pandemic situation.

Comments

Amendments to the call of 'Supporting the adaptation to structural changes' were published in August 2020 in response to the COVID-19 pandemic situation. As a further aid, the government amended the terms of support for the Enterprise workforce support programme on 1 June 2021: accordingly, employers may receive grants on the basis of an application submitted to the district (metropolitan district) office acting as a public employment body if they employ a jobseeker registered with a public employment body under the age of 25 or registered for at least 1 month in an employment relationship. The duration of the aid may be fixed at six months (see also [Wage support for job creation](#), case HU-2020-21/986 (measures in Hungary), COVID-19 EU PolicyWatch, Dublin).

Cost covered by

National government






Involved actors other than national government

Public employment service

Thresholds

No, applicable in all circumstances

Sources

-  [GINOP-5.3.10-VEKOP-17 Supporting the adaptation to structural changes](#)
-  [The call 'GINOP-5.3.10-VEKOP-17 Supporting the adaptation to structural changes' has been modified](#)
-  [Government decree 1006/2016 \(I. 18.\)](#)
-  [Eurofound \(2020\), Wage support programme for job retention - Kurzarbeit with training obligation, case HU-2020-18/640 \(measures in Hungary\), COVID-19 EU PolicyWatch, Dublin.](#)
-  [Eurofound \(2020\), Wage support for job creation, case HU-2020-21/986 \(measures in Hungary\), COVID-19 EU PolicyWatch, Dublin](#)

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Contact us

Eurofound, Wyattville Road, Loughlinstown, Co. Dublin, D18 KP65, Ireland

Phone: (00) 353 1 2043100

E-Mail: information@eurofound.europa.eu

Press: media@eurofound.europa.eu



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