

*Reading Time: 2 minutes*

Hungary compensation and benefits are two of the most important employee entitlements, and they're often what attracts candidates to certain positions. Providing a competitive level of compensation and benefits will help your company's open positions stand out from other job openings and bring in the best candidates. Plus, meeting or exceeding Hungary's compensation laws and statutory benefits requirements will ensure that you stay compliant.

That said, it's difficult to find the time to source benefits and figure out the right level of compensation when you're also trying to run your company. Globalization Partners can make your expansion less stressful through Hungary benefits and compensation outsourcing. We'll use our Hungary subsidiary to help you expand faster, and we'll handle all compliance on your behalf.

## **Hungary Compensation Laws**

Part of Hungary's compensation laws is a minimum wage that differs by education. Typically, employees working a basic 40-hour week in a position that doesn't need specific qualifications should make at least 149,000 HUF a month. Employees in positions requiring secondary education should make at least 195,000 HUF a month.

Your employees should work eight hours a day for five days a week. They shouldn't work more than 250 hours in overtime each year, and you need to compensate overtime at 50% on top of an employee's gross salary per Hungary compensation laws.

## **Guaranteed Benefits in Hungary**

All Hungary benefits management plans must include guaranteed benefits required by law. You can start by providing paid time off for Hungary's 10 public holidays and at least 20 days of vacation each year. Employers need to increase the amount of vacation given based on the age of the employee. For example, employees up to 25 get 20 business days off each year, while employees age of 45 and over get 30 business days off a year.

Hungary guarantees maternity leave, paternity leave, and parental leave. Pregnant employees should get at least 24 weeks of maternity leave that must start four weeks before the scheduled delivery date. During maternity leave, the employee should make 70% of her average salary. Fathers are entitled to five days of paternity leave within two months of the date of birth. One parent is entitled to parental leave at 70% of previous earnings until the child reaches two years of age.

## Dispersing Your Hungary Benefit Management Plan

Your Hungary benefits management plan should also include additional benefits that aren't required by law but are expected by employees. For example, employers sometimes offer additional private health care coverage or a stipend for employees to find their own payroll. Meal vouchers and performance-based bonuses are also common benefits.

Keep in mind that there's an annual limit for non-wage benefits with a tax liability of 35.7% of 450,000 HUF. If you exceed this amount, benefits will be subject to a 51.7% overall tax liability.

## Restrictions for Compensation and Benefits

You can't disperse compensation and benefits until you incorporate in Hungary. The only exception is working with a global PEO such as Globalization Partners. Choosing Hungary benefits and compensation outsourcing with us means you can use our existing subsidiary to start working faster without having to set up a subsidiary.

## Work With Globalization Partners

The team at Globalization Partners is ready to help you make the most of your expansion. Contact us today to learn more about Hungary compensation and benefits outsourcing.