

HUNGARY



Key policies to promote longer
working lives

Country note 2007 to 2017

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KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN HUNGARY¹

(Situation 2007 to mid-2017)

Hungary could do more to raise the effective retirement age of women which, contrary to that of men, has remained well below the EU average over the past decade. According to the Late Career Scoreboard at the end of this report (Table 1), in 2016, the age was 60.7 for women compared with the EU average of 62, and 63.6 for men compared with the EU average of 63.4. In particular, as indicated in Table 2, Hungary should take appropriate action to raise the statutory retirement age further; facilitate phased retirement; launch public awareness campaigns to prevent age discrimination; and encourage social partners and companies to implement age management measures, with the focus on balancing professional and family responsibilities to boost female employment. That said, Hungary has in fact taken action to reward longer careers; restrict access to publicly funded early retirement schemes; promote lifelong learning and development of the country's adult vocational education and training system; and to provide employment/hiring subsidies to firms.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The Hungarian pension system in 2016 is a mandatory, uniform, defined benefit pay-as-you-go (PAYG) system; an earnings-related public pension is combined with a minimum pension (OECD, 2017).² To be eligible for both pensions, 20 years of service is required. Earnings-related pensions can be granted after 15 years of service without eligibility for the minimum pension.³

Raising the statutory age of retirement

The statutory retirement age was 62 as of 1 January 2009 (as announced in 1997). In accordance with an amendment announced in 2009, the statutory retirement age is gradually being increased (by half a year for every age cohort) as of 2010, to reach 65 in 2022 for those born in and after 1957. The statutory retirement age is 63.5 in 2017. In the view of the OECD, raising the statutory retirement age after 2022 by linking it to increases in life expectancy is an option that Hungary should consider in the long term.

1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

2. www.oecd.org/els/public-pensions/PAG2017-country-profile-Hungary.pdf (accessed 7 March 2018)

3. These rules are in place as of 1993 for men and as of 1995 for women. The number of people claiming pensions with 15-20 service years was 1 817 in 2015 and 3 044 in 2016, which represents about 3% of the new pensioners in these years.

Facilitating phased retirement

No specific action has been taken. In 2012, only 2% of workers aged 55-69 in Hungary reported that they reduced their working hours in a move towards retirement, well below the EU average (6.4%) (Eurofound, 2016).

Better combining of pensions and work income

From 1 January 2013, payment of pensions to people who continue working past retirement age in the public sector is suspended. For pensioners below statutory retirement age, suspension extends to the end of the year if they receive benefits prior to retirement age and reach more than 18 times the minimum wage income during the year. Any other cases, outside the public sector, there are no limitations to working above retirement age while receiving the pension.

Rewarding longer careers

It is possible to defer the earnings-related pension, as there is no obligation to retire once the statutory retirement age is reached. The pension increases by 0.5 % for each month of additional service time. Therefore, in the case of gainful activity that continues for a year, the pension will be increased by 6%. The final pension may exceed average monthly earnings if the insured person has a sufficiently long service period after retirement age. Unfortunately, there are no available data on the number of the people who defer pensions after retirement age.

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

Early retirement is available for women regardless of age who have at least 40 years of eligibility⁴ and cease gainful activity. This option, the short name of which is “Women 40”, was introduced in January 2011 in recognition of the double burden on women over a long work career due to family and workplace commitments. At least 32 years of gainful activity are needed (30 in the case of nursing fees). The eligibility period is decreased by one year for each child in households with five or more children, with a maximum of seven years possible. The number of recipients of “Women 40” in Q1 2017 is roughly 189 000.

In November 2011 the Parliament adopted an act simultaneously addressing termination of early retirement pension, benefits prior to retirement age and benefits of official members of the armed forces. From January 2012, former early retirement options⁵ were transformed into welfare benefits (see Section 1.3). There is no longer the possibility to claim an early retirement pension, with the exception of women with an eligibility period of 40 years and armed forces personnel receiving a service pension if the recipient has reached age 57 before 31 December 2011.

4. The eligibility period includes any period of gainful activity or of receipt of Infant Care Allowance, childcare fee, child home care allowance (until 31 December 2015), childcare (from 1 January 2016), child-rearing support or nursing fee.

5. These included the advanced pension and advanced pension with reduced sum, the early retirement pension, miners’ pensions, an early retirement pension paid by the employer, and pensions for artists, mayors, Members of the European Parliament (MEPs) and Members of the Parliament (MPs).

Introducing specific provisions for arduous/hazardous work

As part of the 2012 pension reform aimed at narrowing the paths to early retirement, the special treatment of workers in arduous/hazardous work⁶ (AHW) was eliminated: new eligibility cannot be obtained for this risk as of 1 January 2015. Before the reform those persons working in AHW could gain eligibility for an early retirement pension before reaching retirement age. Eligibility formerly gained is taken into account in considering applications for a “benefit prior to retirement age”. Available from 1 January 2012, this is not a pension but a benefit that is not means-tested, financed from taxes paid to the general budget rather than from contributions. Former “early retirement pensions” awarded and paid before 1 January 2012 will continue to be paid as “benefits prior to retirement age”, and will be transformed into old-age pensions at retirement age with their amount unchanged (Robert, 2016).

There are exceptions, however. Before 2012, two professions – miners and artists – had special rules governing their retirement. Irrespective of age, miners could retire after 25 years or 5 000 shifts of underground work, or after 30 years in surface mining. Similarly, some groups of artists had a retirement age defined by length of service (25 years), not age. The reform closed off these early retirement routes, but **there are** certain groups of miners and dancers whose arduous and unhealthy conditions are admitted in the current system, making them eligible for an early retirement pension.

1.3. Preventing welfare benefits from being used as alternative pathways to early retirement

Unemployment (insurance and assistance) benefits

In addition to unemployment insurance benefits (jobseeker benefits), older unemployed people can receive unemployment assistance benefits (pre-pension jobseeker allowances) prior to eligibility for a pension if they have received unemployment insurance benefits for 45 days.⁷ A further condition is that the jobseeker must reach retirement age in no more than five years and within three years of termination of the jobseeker benefit, and have a sufficient contribution period for retirement (15 years for partial pensions and 20 years for full pensions). The relevant legislation stipulates that pre-pension jobseeker allowances can be paid until the person becomes entitled to the old-age pension.⁸

Social aid

Following the 2015 reform of the benefit for people who are in the working age group (from 18 to retirement age), those who are not employed have access to a social assistance benefit that aims to ensure a minimum standard of living and that is means-tested against family income. The scheme offers two types of benefits: one for those capable of performing work (employment substitute support), and one for those incapable of performing work (a benefit for people suffering from health problems or taking care of children). Before 1 March 2015 those who had less than five years before retirement age belonged. From 1 March 2015 they are regarded as being capable of working, unless they suffer from health damage as

6. Which can be defined as: “Occupations involving the exposure of the worker over a period of time to one or several factors leading to professional situations susceptible to leave long lasting and irreversible effects on his/her health; these factors are related to physical constraints, psychosocial risks, an aggressive physical environment, working organisation and working rhythms, including shift work”.

7. A person who has worked for at least 360 days in the three years prior to becoming unemployed is entitled to a jobseeker benefit: one day’s benefit for every 10 days worked. This means that the minimum entitlement is for 36 days.

8. For more on unemployment benefits in Hungary, go to www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm (accessed 10 March 2018). The reference date for all information is 1 July 2015.

defined by the Social Act. They therefore have to register and co-operate with the Public Employment Service (PES); any job opportunities the PES presents them with must be accepted.⁹

Disability benefits

As of January 2012, the then existing disability pension for those who were below retirement age, the regular social annuity and temporary invalidity annuity were transformed into health insurance benefits (for persons with a changed working capacity); disability pensions for those who were above retirement age were transformed into old-age pensions (see Section 1.2).

Depending on the decision on rehabilitation determined in the course of a complex assessment by the designated district offices, benefits for persons with a changed working capacity can take the form of either rehabilitation benefits or disability benefits:

- i. A person with a changed working capacity is entitled to the rehabilitation benefit if they could be rehabilitated. This benefit encompasses the necessary services (medical, social, training and employment-related services as well as other activities) required for successful rehabilitation, as well as a cash benefit.
- ii. A person with a changed working capacity is entitled to a disability benefit in cases where rehabilitation is not recommended, or if the time remaining before retirement age does not exceed five years.

An evaluation of the 2012 reform will be carried out subsequently as part of the corresponding EU-financed project.¹⁰

2. Encouraging employers to retain and hire older workers

2.1. Preventing discrimination in employment on the basis of age

Implementing current or new legislation

Article XV of the Fundamental Act introduced in 2011 prohibits discrimination as a general principle. The act specifies that discrimination is not allowed with regard to (among other things) availability to work (conditions for filling a position, classified advertisements and notices); procedures in connection with and preceding employment; work-related training; establishing and providing work conditions; or remuneration.

In addition, the Labour Code of 2012 specifically sets forth the provisions on equal treatment applicable in employment relationships, such as for work remuneration (in cash and in kind). Remedying the consequences of any breach of this requirement may not result in any violation of, or harm to, the rights of other workers. The equal value of work for the purposes of compliance with the principle of equal treatment shall be determined based on the nature of the work performed, its quality and quantity, working conditions, the required vocational training, physical or intellectual efforts expended, experience, responsibilities, and labour market conditions.

9. For more on social aid benefits in Hungary, go to www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm (accessed 10 March 2018). The reference date for all information is 1 July 2015.

10. For more on disability benefits in Hungary, go to www.oecd.org/els/soc/benefits-and-wages-country-specific-information.htm. The reference date for all information is 1 July 2015.

Launching public awareness campaigns

The European Year for Active Ageing and Solidarity between Generations 2012 was fruitful in Hungary. Over 250 events were organised to encourage active ageing and intergenerational solidarity.¹¹

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

In 2013 there were no differences in employment protection by age.¹²

The government introduced the Job Protection Act in 2013 to strengthen labour demand for workers with weak links to the labour market and to ease administrative burdens of employers (OECD, 2016). Vocational training subsidies and a reduction in social security contributions are offered to employers who hire hard-to-employ workers – including, among others, people over 56, long-term jobseekers and workers in unskilled jobs (see more in Section 3.2).

2.3. Discouraging mandatory retirement by employers

By law in general and by sector/occupation, private/public sector, region

There is no mandatory retirement age and the employer can never force an employee to retire, except in certain professions such as civil servants and judges. However, the Hungarian Labour Code considers an employee who has reached the age necessary for retirement and who has the necessary service period (generally 20 years) a “retired” person, even if the employee has not actually retired. Different rules are applicable for “retired” employees, as they can be dismissed without any justification and they are not entitled to severance payment.

In addition, the employer shall be permitted to terminate the employment relationship of workers, other than pensioners, inside the five-year period prior to the employee reaching eligibility for an old-age pension solely if he/she engages in conduct that renders the employment relationship impossible. Termination on the part of the employer within that time frame shall entail an increase in severance pay.

2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers

For all older workers

At this point the social partners in Hungary are not engaged in activities to promote active ageing (Eurofound, 2013). Trade unions are aware of the need for older workers to remain in the labour market because of low pensions. They consider, however, that working conditions and health matters do not allow them to stay in employment for an extended period.

11. See more on Hungary at <http://ec.europa.eu/social/main.jsp?newsId=1835&langId=en&catId=89&furtherNews=yes&> (accessed 10 March 2018).

12. www.oecd.org/els/emp/Hungary.pdf (accessed 8 March 2018).

Review of the use of seniority wages

The Labour Code, which applies to the private sector, does not include wage rules relating to seniority or any other factor. If employers or employees want to agree these aspects, they have the option of collective bargaining.

In the public sector the principle of seniority continues to exist, but newly established career schemes emphasise personal competencies and efficiency rather than age, time served or wage progression.

The current wage system was implemented in five stages, from 2013 to 2017. It is based on the career programme for teachers, introduced in 2013 to establish a solid, value-based career and wage system. That programme guarantees appropriate working standards and higher wages for higher-quality work from employees in the field of public education. The wage system is based on evaluation benchmarks used at the qualification examination and during the qualification procedure. The evaluation assesses eight competencies, informing the examiners how the pedagogues capture and hold the attention of children during the educational process, the methods they use to make learning more effective, their use of communication, problem solving and co-operation in dealing with parents and the school, how professionally determined they are, and whether they are responsible for their own professional development.

Other schemes that have been implemented are a career scheme for law enforcement and defence (relating for example to policemen, firemen, enforcement of sentences, etc.) in 2015 and a career scheme for civil servants in 2016. Moreover, at the county and district levels of public administration, the employer has tremendous discretion in settling wages based on evaluations.

In employment relationships not subject to professional career schemes (some public servants, some civil servants), wage schemes primarily apply the principle of seniority.

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce

Sharing knowledge and experience across different age groups

On 13 June 2017, the Parliament adopted an act on pensioners' co-operatives of public interest.¹³ This act would provide preferential conditions for active elderly people to engage in occasional work. The government's aim is to have the pensioners' co-operatives employ retired people to reduce labour shortages and to transfer their skills, professional knowledge and life experience to younger people. This would help retain community contact with the elderly, as well as serving the best interests of the general public.¹⁴ The work is carried out by the pensioner and financial remuneration is provided to the association, which – proportionately to the degree of personal co-operation from the pensioner – functions as a loan to the pensioner. All kinds of work could be offered.

13. According to the act, a pensioners' co-operative is an economic enterprise which only natural persons are allowed to establish or join; the share of old-age pensioners among co-operative members must be at least 90%. The co-operative's income is used to set up a community fund for social, health, educational and cultural services for members and their families. Work is considered a personal contribution to the co-operative (in that it is not seen as an employment relationship, even if the co-operative places members in a third-party temporary agency position), which can be offset – for example, by food vouchers instead of wages that are tax-free up to a certain limit.

14. www.eurofound.europa.eu/observatories/eurwork/articles/hungary-latest-working-life-developments-q2-2017 (accessed 27 January 2018).

Adjusting working-time arrangements of older workers

Between 2015 and 2018, a measure co-financed by the European Social Fund (ESF) has been implemented to promote flexible employment and facilitate a healthy work-life balance. Although not directly focused on them, this programme may help older workers with flexible working-time arrangements and encourage them to remain in employment longer.

In particular, the programme aims to promote flexible employment in small and medium-sized enterprises (SMEs) in different regions. In the first round eleven service providers with appropriate experience and expertise in promoting flexible employment were selected. With the use of a common methodology, 785 SMEs covering about 27 700 employees were audited in 2017 in order to assess what interventions would be needed and possible to introduce flexible forms of employment into these enterprises. After the audit an organisational diagnosis and development plan is set up. The second round of the tender helps those SMEs that have a development plan to implement it. The measure helps increase the employment of various social groups, such as women with young children and older workers, while also improving the employers' adaptability. The expected result is that at least 500 SMEs will introduce some form of flexible employment. As of 25 May 2017, 832 SMEs were audited and 654 applications were submitted.

3. Promoting the employability of workers throughout their working lives

3.1. Enhancing participation in training by workers in their mid- to late careers

Providing guidance services

Guidance services for training programmes among active labour market programmes (ALMPs) are provided by the PES as part of its general service provision.

Promoting lifelong learning and development of the adult vocational education and training system

According to the OECD (2016), older workers are much more exposed to a risk of declining qualification and skills than younger workers, as they are less able to adapt to the demand for different skills, which is subject to constant change.

The Hungarian government has introduced a lifelong learning strategy for the period 2014-2020. The strategy aims to enhance lifelong learning; increase participation and improve access to adult lifelong learning; improve the quality of the adult education and training system; enhance equal opportunities with adult learning tools; and ensure visibility and acknowledgement of the value and results of lifelong learning. This strategy is based on the Economic Development & Innovation Operational Programme (EDIOP). The objective of EDIOP is to develop a competitive workforce for the labour market supported by education and training. Most measures do not solely target older workers but do support the participation of workers over 50 in adult learning. Training opportunities allowing less skilled workers to develop their digital competencies and foreign language skills are open to older workers as well.

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

The PES office provides assistance to all unemployed persons. The caseworker follows a broadly defined protocol at the first interview in order to assess client needs. Theoretically the caseworker should always provide an optimal mix of interventions, and within the actual ALMPs offered, training measures are almost always proposed as part of a complex programme of support. According to Cseres-Gergely (2015),

the set of procedures applied consecutively begin with selection of appropriate ALMP or service, if any, then move to selecting the appropriate training, and finally establish whether the appropriate training programme is available as part of a particular project.

From the beginning of 2016, a new client profiling system and Individual Action Plan (IAP) have been implemented, targeting all jobseekers who are registered with the National Employment Service, regardless of their age. The present version of this new system includes the following client categories:

- i. clients who have a good chance of succeeding on the primary labour market
- ii. clients who can effectively be helped with ALMPs
- iii. clients facing the most serious challenges and those who need significant help to get closer to the labour market.

This new system is based mainly on the particular characteristics of the client, including their background (age, education level, etc.). Better targeting and tailoring will provide the jobseeker with access to customised support and ALMPs.

From September 2016, a new ministerial decree has been in effect to define the methodology with which the enhanced Individual Action Plans are to be made (with all registered jobseekers). This tool aims at providing tailor-made services and a roadmap to help jobseekers integrate into the regular labour market.

Targeting workers most at risk of long-term joblessness

October 2015 saw the introduction of a major ALMP titled “Path to the Labour Market”. The programme is aimed at improving the employability and supporting the labour market entry of jobseekers and inactive people aged 25 and above, through comprehensive and personalised individual programmes comprising labour market services, subsidies and training. Priority target groups include the long-term unemployed and other groups at risk of long-term joblessness, such as the less skilled, older adults, career starters between 25 and 30, parents returning to the labour market after parental leave or caring for dependent relatives, and those leaving the public work scheme.

The range of ALMPs includes general and vocational training; wage subsidies; support for self-employment; mobility support/housing allowance; and labour market services such as information, advice, job-search assistance and mentoring. The programme has been implemented by the PES at county level and expects to involve more than 188 000 disadvantaged jobseekers and inactive persons by the end of 2021. By mid-April 2017, approximately 57 000 people had been involved in the programme (approximately 18% were jobseekers and inactive persons aged over 50).

Providing employment/hiring subsidies to firms

In 2013, the government introduced the Job Protection Act (see Section 2.2). An important part of the measures are aimed at strengthening labour demand for workers with weak links to the labour market, such as people over 56. To create and preserve existing jobs, tax allowances can be taken in the case of both newly employed and current workers. Thus the programme acts both on the offer and demand sides. Tax allowances on both social contributions and vocational training contributions were introduced and are available for employers of five target groups, including employees aged 56 and above (Svraka, Szabó and Hudecz, 2013).

According to Svraka, Szabó and Hudecz (2013), the Job Protection Act is a more cost-effective tool for increasing the effective labour demand of vulnerable groups than tax incentives. The take-up rate of the allowance has been growing continuously, and the burden on employers has dropped. In 2016, allowances

granted by the Job Protection Act were taken up by employers for 318 000 workers aged 56 and above on average; this accounts for about HUF 48 billion, which is 6.3% higher than the 2015 level.

From 2013 to 2016, a programme was in place to promote the employment of women who face barriers because of their age. The objective of the programme is to help them gain the time in employment necessary for their pension. Through “Women 40” (see Section 1.2), programme subsidies that compensate 100% of wage costs and social security contributions are available to the employer. Women in the programme were employed for eight months with subsidy and two months without subsidy before they entered into pension. Between 2013 and 2016 over 2 000 subsidies were granted for the employment of women above age 55, and the programme helped increase the employment rate of women aged 55 and above, from 32% to 41.5%.

Providing other active labour market policies

Public Work Schemes (PWS) were established in 2010. Their main purpose is to activate people who face long-term inactivity and prepare them for daily work, so that they have better chances of employment even on the regular labour market. The share of jobseekers involved in PWS has increased gradually year by year. Beside the daily work there are training courses provided to prepare PWS participants for job-search on the regular labour market. In 2016, about 55 000 jobseekers above age 55 participated in PWS, constituting 15% of all participants. Only 3 500 of this group participated in training. PWS play a significant role in keeping older workers in the labour market.

3.3. Enhancing job quality for older workers

Strengthening workplace safety and physical and mental health

To implement the “Healthy Workplaces for All Ages” campaign of European Agency for Safety and Health at Work (EU-OSHA), workshops, press conferences and TV and radio interviews were organised in Hungary. Thousands of campaign materials were distributed during the year 2016 in order to meet the four objectives of the campaign:

- i. to promote sustainable work and healthy ageing from the very beginning of working life
- ii. to prevent health problems throughout working life
- iii. to provide ways for employers and workers to manage occupational safety and health in the context of an ageing workforce
- iv. to encourage the exchange of information and good practice.

Reducing the incidence of arduous/hazardous work

In October 2016, the government of Hungary discussed and adopted the National Occupational Safety and Health Policy. This strategic document elaborated the long-term development of occupational safety and health (OSH); the goal was to ensure that results of the tasks specified in the policy contribute to proper development of working conditions, preserving employees’ ability to work and increasing the number of healthy years in a worker’s lifetime. Tasks are defined in the area of OSH education and training, as well as OSH research and development that affects older workers:

- i. reducing occupational risks affecting vulnerable groups of employees and employees working in atypical types of employment – preparation of information on safe and healthy working conditions for, among others, ageing employees, and distribution of these materials to the respective employers

- ii. coping with the increasing average age of employees and analysis of the impact of newly emerging risks (research task).

The performance of tasks is supported by an EU fund, and implementation begins in 2018.

Balancing professional and family responsibilities

The previous Labour Code provided that termination of employment was not possible when the employee was on unpaid leave due to caregiving responsibilities. The new Labour Code reforms implemented in 2012 have made termination of employment easier – which means that dismissal of carers is now easier, with the notice period only starting from the day the employee returns to work. This amendment will render combining work and care more difficult and is likely to reduce the employment of older workers. On the positive side, the Labour Code also introduced more flexible working arrangements and new forms of employment that may help the balancing effort. The newly regulated working time and shift supplements allow employers to be more flexible and to cut overtime costs when there is a sudden surge in labour force demand.¹⁵

Hungarian public policy concentrates on institutional solutions rather than home care. Carers' compensation is a very low allowance and, with very few exceptions, entitlement excludes any further employment (Eurofound, 2015).

15. www.eurofound.europa.eu/observatories/eurwork/articles/industrial-relations-working-conditions/new-labour-code-takes-full-effect (accessed 27 January 2018).

Table 1. Late Career Scoreboard, Hungary, 2006 and 2016

	Hungary		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.25	0.30	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	59.6	63.6	62.0	63.4	63.6	65.1
Women	57.8	60.7	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	31.6	40.3	38.3	45.4	47.0	50.8
of which 50-54	69.0	82.3	73.1	77.9	73.8	75.7
55-64	33.2	49.8	43.3	55.3	52.7	59.2
65-69	4.0	5.3	9.1	12.1	20.3	25.5
70-74	1.1	2.6	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ([men-women]/men)	0.35	0.30	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	8.7	8.4	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	92.6	85.6	85.4	78.9	87.3	85.2
Average number of weekly hours worked	18.9	18.7	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	4.6	9.3	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	13.5	13.6	24.1	19.7	38.0	32.8
-- Full-time earnings, 55-64 relative to 25-54 (ratio)	-	-	-	-	1.09	1.10
Dynamics						
-- Retention rate ^d after 60 (% of employees t-5)	22.0	39.0	37.1	48.8	40.3	50.3
-- Hiring rate, ^e 55-64 (% of employees in the age group)	4.8	9.2	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate, 55-64 (% of the labour force aged 55-64)	4.0	4.4	6.1	6.4	4.3	4.6
-- Incidence of long-term ^f unemployment, 55-64 (% of total unemployment in the age group)	52.3	68.7	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^g 55-64 (% of population in the age group)	1.6	1.9	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	15.4	17.2	17.2	22.9	20.0	26.2
-- Participation in training, ^h 55-74 (% of employed in the age group)	-	6.4	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	-	0.79	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously.

e) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

f) Unemployed for more than one year.

g) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week.

h) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in Hungary, 2007 to mid-2017

1. Rewarding work and later retirement	
1.1. Enhancing incentives to continue working at an older age	
<i>Raising the statutory age of retirement</i>	+
<i>Facilitating phased retirement</i>	/
<i>Better combining of pensions and work income</i>	+
<i>Rewarding longer careers</i>	+
1.2. Towards restricted use of early retirement schemes	
<i>Restricting access to publicly funded early retirement schemes</i>	+
<i>Introducing specific provisions for arduous/hazardous work</i>	+
1.3. Preventing welfare benefits from being used as alternative pathways to early retirement	
<i>Unemployment (insurance and assistance) benefits</i>	+
<i>Social aid</i>	+
<i>Disability benefits</i>	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
<i>Implementing current or new legislation</i>	+
<i>Launching public awareness campaigns</i>	/
2.2. Taking a balanced approach to employment protection by age	
<i>Implementing age-neutral measures</i>	+
2.3. Discouraging mandatory retirement by employers	
<i>By law in general and by sector/occupation, private/public sector, region</i>	/
2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers	
<i>For all older workers</i>	/
<i>Review of the use of seniority wages</i>	+

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce	
<i>For all older workers</i>	+
<i>Sharing knowledge and experience across different age groups</i>	/
<i>Adjusting working-time arrangements of older workers</i>	+
3. Promoting the employability of workers throughout their working lives	
3.1. Enhancing participation in training by workers in their mid- to late careers	
<i>Providing guidance services</i>	+
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	++
3.2. Providing effective employment assistance to older jobseekers	
<i>Promoting an all-age mainstreaming activation approach</i>	+
<i>Targeting workers most at risk of long-term joblessness</i>	+
<i>Providing employment/hiring subsidies to firms</i>	++
<i>Providing other active labour market policies</i>	+
3.3. Enhancing job quality for older workers	
<i>Strengthening workplace safety and physical and mental health</i>	+
<i>Reducing the incidence of arduous/hazardous work</i>	+
<i>Balancing professional and family responsibilities</i>	/
<p>++ = Substantial action taken. + = Some action taken, but more could be done. +? = Some action taken, but requires further assessment. ? = Some action taken with negative impact. / = No relevant action taken. ✓ = no action needed</p> <p><i>Source:</i> Assessment based mainly on answers by Hungary to several OECD questionnaires.</p>	

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