

Hungary

Payroll & Employment Law Guide

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2026 wage floors, tax and social contribution rules for employers

Overview —

A reference for employing in Hungary

The Kft. is Hungary's common limited-liability form. Formation requires Hungarian-law company documents, local registrations, a tax number, banking and access to electronic administration. Company registration and operational payroll readiness are separate workstreams.

322,800 HUF	373,200 HUF	18.5%	13%
2026 GENERAL MONTHLY MINIMUM WAGE	2026 GUARANTEED WAGE MINIMUM	STANDARD EMPLOYEE SOCIAL SECURITY	STANDARD EMPLOYER SOCIAL CONTRIBUTION TAX

WHAT THIS GUIDE COVERS

I	Company Formation and Business Environment	The Kft.
II	Working Conditions and Leave Entitlements	Standard full-time work is 8 hours/day and 40 hours/week.
III	Tax and Social Security	Personal income tax on standard employment income is flat-rate.
IV	Payroll Operations	Pay is calculated at the end of the pay period and paid by the 10th day of the following month.
V	Hiring and Termination	The employment contract must be in writing and identify the parties, base salary and role.
VI	Wages and Benefits	From 1 January 2026, the general monthly minimum wage is 322,800 HUF.
VII	Visas and Work Permits	EU, EEA and Swiss nationals may work under free movement, although residence and registration formalities remain.
VIII	Practical Notes and Compliance Risks	A common Hungarian payroll risk is conflicting information across the employment contract, NAV registration, time data and immigration permit.
IX	Incentives and Employer Support Schemes	An employer social contribution tax relief is available for an eligible labour-market entrant.

I —

Company Formation and Business Environment

The Kft. is Hungary's common limited-liability form. Formation requires Hungarian-law company documents, local registrations, a tax number, banking and access to electronic administration. Company registration and operational payroll readiness are separate workstreams.

STRUCTURE OR STEP	CURRENT RULE	OPERATIONAL NOTE
Kft.	Minimum capital 3,000,000 HUF	Cash and in-kind contributions are set in the company document
Representation	Managing director and registered address	Electronic public correspondence must be monitored
Tax registration	NAV tax number	Payroll filing permissions are configured separately
Banking	Corporate account	Align with the tax and salary payment calendar
First employee	Written contract and start registration	Complete before work actually begins
Registry reform	New registry rules from 1 January 2026	Prepare the formation file for the current electronic process

A foreign investor choosing a subsidiary, branch or cross-border employer model should separately assess permanent-establishment and corporate-tax exposure. For payroll, the key questions are who carries the Hungarian employer obligations and who directs the employee.

Verify before payroll

EOR note: The service label used in a contract does not itself remove employer responsibility. Actual direction, wage payment, registrations and health-and-safety duties must be assessed together.

II · WORKING CONDITIONS AND LEAVE ENTITLEMENTS

Standard full-time work is 8 hours/day and 40 hours/week. Under a working-time frame or irregular schedule, planned time can reach 12 hours/day and 48 hours/week. Rest and averaging limits still have to be protected.

II

Working Conditions and Leave Entitlements

TOPIC	DURATION OR RATE	CORE RULE
Normal work	8 hours/day, 40 hours/week	The contract and work schedule govern
Scheduled maximum	12 hours/day, 48 hours/week	Working-time frame and rest rules apply
Overtime	250 hours/year	Up to 150 additional hours by written voluntary agreement
Collective agreement	300 hours/year	Plus up to 100 voluntary overtime hours
Basic annual leave	20 working days	Age additions reach up to 10 working days
Sick leave	15 working days/year	70% of absence pay for the employer period

The CSED maternity benefit period is 24 weeks, or 168 days. The general payment is 100% of the daily base. If the employee starts working after day 90, payment is 70%. Eligibility and the assessment base depend on social-insurance history.

Paternity leave is 10 working days. The first 5 days are paid at 100% of absence pay and the next 5 days at 40%. The employer should reconcile the birth document, leave period and public reimbursement file with payroll.

III · TAX AND SOCIAL SECURITY

Personal income tax on standard employment income is flat-rate. Social security contribution is withheld from the employee and social contribution tax is paid by the employer. Family and maternity-related reliefs enter payroll only through the employee's declaration and eligibility evidence.

III

Tax and Social Security

ITEM	2026 RATE OR FLOOR	EXPLANATION
Personal income tax	15%	Employee withholding on the tax base
Employee social security	18.5%	On insured remuneration
Employer social contribution tax	13%	Standard rate if no relief applies
Contribution floor	30% of minimum wage	96,840 HUF per month in 2026
Monthly minimum wage	322,800 HUF	General floor
Guaranteed wage minimum	373,200 HUF	For jobs requiring qualifications

The contribution floor is not applied mechanically to every employee. Part-month work, specified student or benefit status and other statutory exceptions require separate treatment. If the actual base is below the floor, the employer should document the difference calculation and return treatment.

Tax relief relies on the employee's written declaration. Multiple employers, mid-year status changes or foreign residence may create an annual difference. The payroll engine should keep gross pay, tax base, employee contribution, employer tax and net pay as separate fields.

IV · PAYROLL OPERATIONS

Pay is calculated at the end of the pay period and paid by the 10th day of the following month. By the payment date, the employee should receive a payroll statement explaining gross pay, supplements, deductions and net payment. The monthly tax and contribution return is generally filed with NAV, and paid, by the 12th day of the following month.

IV — Payroll Operations

OPERATION	DEADLINE OR RULE	CONTROL
Start registration	Before work begins	NAV filing and social-security identity
Salary payment	By the 10th day of the next month	Bank day matches the contractual day
Payroll statement	By the payment date	Gross, supplements, deductions and net shown
Monthly 08 return	By the 12th day of the next month	Employee-level tax and contribution data
Tax and contribution payment	By the 12th day of the next month	Correct tax code and period
Correction	Self-revision depending on error type	Keep an audit trail rather than deleting the old record

Salary, overtime, sick leave, CSED, expense reimbursement and benefits in kind should not use one payroll code. The legal nature of each item determines its tax and contribution base. For foreign-currency contracts, the rate source and conversion day should be fixed in the written payroll policy.

Verify before payroll

File principle: Link the contract, start filing, time record, employee declaration, payslip and payment evidence to one employee file. Retention is managed by document type. Do not assume one period for every record.

V · HIRING AND TERMINATION

The employment contract must be in writing and identify the parties, base salary and role. The workplace, working arrangement and benefits should be clarified through the required written information. Registration is completed before actual work begins.

V —

Hiring and Termination

TOPIC	CURRENT RULE	APPLICATION
Probation	Generally up to 3 months	A collective agreement may allow up to 6 months
Start registration	Before work	Match date, employer and insurance data
General notice	At least 30 days	Increases with service, generally capped at 90 days
Release from work	At least half of employer notice	Planned as paid time
Severance	1-6 months' absence pay	Depends on ground, service and proximity to retirement
Final account	Closed at termination date	Separate pay, leave and deductions

The termination reason must be clear, genuine and causal. Certain employee groups and leave periods carry special protection. Employer termination, employee resignation and mutual termination do not produce the same notice or severance result.

Severance generally arises for specified employer-driven grounds. Length of service and proximity to retirement can affect the amount. The final payroll should show unused leave, release from work and severance as separate lines.

VI · WAGES AND BENEFITS

From 1 January 2026, the general monthly minimum wage is 322,800 HUF. The guaranteed wage minimum is 373,200 HUF for roles requiring at least an intermediate vocational qualification. The test follows the formal job requirement, not merely the employee's diploma.

VI —

Wages and Benefits

PAY COMPONENT	PAYROLL TREATMENT	EVIDENCE
Base salary	Cannot fall below the applicable statutory floor	Contract and job description
Overtime	Track time and compensation type separately	Approved time record
Shift and night supplements	Depend on the work arrangement	Shift schedule
SZÉP card	Apply annual tax rules	Employer policy and use record
Expense reimbursement	Requires documents and business purpose	Invoice, travel or home-working record
13th-month pay	No general statutory requirement	Contract or collective agreement

Whether a benefit is cash pay, a purpose-specific benefit or a business expense changes its tax result. For a company vehicle, accommodation or travel payment, document both the business purpose and any private-use element.

When pay changes, update the written contract or employer notice. Check the statutory floor in every pay period. A variable bonus should not automatically substitute for required base pay.

VII · VISAS AND WORK PERMITS

EU, EEA and Swiss nationals may work under free movement, although residence and registration formalities remain. For a third-country national, the route depends on nationality, role, employer and purpose of stay.

VII —

Visas and Work Permits

ROUTE OR STEP	CURRENT RULE	EMPLOYER CONTROL
EU/EEA/Switzerland	No work permit	Registration and address formalities
Employment permit	For eligible nationality and role	Employer, job and place must match the permit
Permit validity	Up to 2 years	1 extension, up to 3 years total
Standard decision time	Up to 70 days	Missing documents and special routes can change timing
Guest-worker change	No new applications from 6 June 2026	Confirm an alternative route before employment
Employer notification	Start, end and change	File within the immigration deadline

For the standard employment route, the eligible third-country list and labour-market conditions must be checked against the current rule. Work should not start before approval, and the payroll start date should not precede the permit start date.

Verify before payroll

Cross-border note: A 183-day test does not determine the tax result on its own. Consider the actual work country, economic employer, permanent establishment, tax treaty and social-security certificate together.

VIII · PRACTICAL NOTES AND COMPLIANCE RISKS

A common Hungarian payroll risk is conflicting information across the employment contract, NAV registration, time data and immigration permit. Before the employee starts, verify identity, tax, social security, bank, role and workplace in one data record.

VIII —

Practical Notes and Compliance Risks

CONTROL	CORRECT TREATMENT	MAIN RISK
Wage floor	Test the job's qualification requirement	Missing the need for 373,200 HUF instead of 322,800 HUF
Contribution floor	Document exceptions	Applying the 30% floor to everyone
Working time	Separate normal and voluntary overtime	Combining the 250 and 150-hour limits
Leave	Calculate 20 days and the age addition separately	Missing the addition of up to 10 days
Sickness	Track the 15-day employer period	Applying 70% to the wrong base
Foreign worker	Check the 6 June 2026 change	Using an unavailable guest-worker route
Termination	Match 30-90 days' notice to the ground	Automatic severance calculation

Corrections should not silently replace prior payroll. Record the corrected period, reason, tax difference and net payment, and make sure the NAV correction and employee statement reach the same result.

For remote work or an intra-group assignment, state the workplace, data access and expense policy clearly. Limit GDPR access by role and document the basis for cross-border data transfers.

IX —

Incentives and Employer Support Schemes

An employer social contribution tax relief is available for an eligible labour-market entrant. It is not automatic. Prior insured days, nationality scope and the payroll return must be verified.

RELIEF OR TEST	2026 TREATMENT	MAIN CONDITION
First relief period	13%	Up to 1 year, subject to the statutory wage cap
Second relief period	6.5%	Up to the following 6 months
▶ Total relief period	Up to 18 months	Continuous eligibility and correct reporting
Employment-history test	No more than 92 days in the prior 365 days	Statutory insured days count
Nationality scope	Hungarian or specified neighbouring-state national	Narrowed definition from 1 January 2025

Family tax allowance and personal income-tax exemptions for mothers are employee tax advantages, not employer subsidies. Payroll applies them only with a valid declaration and eligibility evidence.

Verify before payroll

Control sequence: First verify employee eligibility, then determine the relief base and period. The 13%, 6.5%, 1 year, 6 months and 18 months figures are not automatic receivables. They must be supported by the payroll file.

**EOR & PAYROLL, HANDLED**

Manage your Turkey & Europe payroll & employment from one centre with Datassist.

Hungarian payroll brings together two statutory wage floors, the monthly NAV calendar, contribution reliefs and 2026 immigration restrictions. Datassist helps international employers coordinate local payroll with central approvals and reporting.

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CONTRACT**1**

ONE COMPLIANCE OPERATION

0%

MISSED PAYROLL DEADLINES