

Act CXCI of 2011

On Allowances for Persons with Disabilities and the Amendment of Certain Legislation

With regard to the execution of Article XII of the Basic Law of Hungary, the National Assembly hereby formulates the following legislation to promote the employment-based rehabilitation and social integration of persons with disabilities based on their retained abilities that can be developed, as well as to supplement lost income:

1. General Provisions

Section 1 (1) Provisions governing the present legislation shall be applied in respect of rules applicable to persons and benefits defined within the scope of EU regulations on the cooperation of social security systems and their implementation (hereinafter referred to as “EU regulations”) and rules governing the memorandum applicable to persons to whom international memorandums regarding social security apply.

(2) Definitions applied within the scope of the present Act:

1. *State of health*: state determined by taking account of the permanent or definitive detrimental alteration of the individual’s physical, mental or social well-being arising after an illness or injury or as a result of hereditary anomaly (hereinafter referred to as “health impairment”).

2. *EEA member state*: member state of the European Union or any other state which is a party to the European Economic Area Agreement, as well as states whose citizens enjoy equal legal status with the citizens of any state that is a party to the European Economic Area Agreement pursuant to the international memorandum concluded between the European Community and its member states, as well as any state which is not a party to the European Economic Agreement.

3. *Average monthly wage*: 30 times the daily average of the income constituting the grounds of the payment of social security contribution (hereinafter referred to as “income”) generated in the calendar year preceding the first day of the payment (hereinafter referred to as “reference period”); 30 times the average daily income generated during the 180 calendar days preceding the first day of payment if the entitled individual does not dispose of at least 180 calendar days of income during the reference period; the minimum wage if the individual entitled does not dispose of at least 180 calendar days of average daily income during this period, as well as the reference period, or has no income whatsoever; if more advantageous to the individual entitled, the average daily income for 180 calendar days before receiving the benefit or sick-pay if the person entitled does not dispose of 180 calendar days of average income because they were receiving benefits or sick-pay during the period assessed or a part of this period.

4. *Income earning activity*: income earning activity defined within the scope of Act IV of 1991 on Job Creation and Unemployment Benefits (hereinafter referred to as “Job Creation Act”) providing that the income earning activity was performed in an EEA member state in the case of individuals to whom EU regulations apply, or in any state party to the agreement in the case of individuals to whom international memorandums on social security apply are also taken into account in the declaration made by the entitled individual or the data services of the foreign body competent in this domain.

5. *Suitable workplace*: any workplace that complies with the definition set out in Subsections (1) and (2) of Section 25 of the Job Creation Act providing that jobseeker refers to any individual receiving a rehabilitation allowance and jobseeker’s allowance refers to rehabilitation allowance.

6. *Minimum wage*: the minimum wage determined in accordance with Paragraph (1) of Subsection (s) of Section 4 of Act LXXX of 1997 on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services (hereinafter referred to as “Social Security Benefits Act”).

7. *Employer*: as defined under Paragraph (c) of Subsection (5) of Section 58 of the Social Security Benefits Act.

8. *Old-age pension age threshold*: the age threshold defined for old-age pension under Subsection (1) of Section 18 of Act LXXXI of 1997 on Social Security Pension Benefits (hereinafter referred to as “Social Security Pension Benefits Act”).

9. *Rehabilitation*: complex system of medical, social, training, employment and other activities, the objective of which relates to integrating persons with disabilities in the labour market, preparing such individuals for employment at a suitable workplace, as well as ensuring job placements at workplaces commensurate with their work capacity.

10. *Regular financial assistance*: allowances listed as regular financial assistance in the Act Governing Social Administration and Social Welfare Allowances, excluding allowances paid to war veterans and national veterans, the allowance called national service, nursing fees, pension allowances paid to relatives in accordance with the Social Security Pension Benefits Act, childcare allowances, as well as allowances paid by foreign organisations on the grounds of social security international memorandums and EU regulations and allowances identical to the former.

2. Allowances for Persons with Disabilities

Section 2 (1) Any individual whose state of health is classified as 60% or under on the grounds of the complex rating procedure conducted by the rehabilitation authority shall be eligible for disability allowance (hereinafter referred to as “disabled person”), as well as any individual that

a) was insured in accordance with Section 5 of the Social Security Benefits Act throughout 1,095 days within a period of 5 years prior to submitting their application;

b) does not engage in any income earning activity and

c) does not receive any financial assistance.

(2) Contrary to what has been specified in Paragraph *a)* of Section (1), the following shall be entitled to disability allowance regardless of their insurance coverage:

a) any individual that is insured within a period of 180 days after completing their studies and was continually insured for over 30 days prior to the submission of their application, or

b) any individual that received a disability pension, accident disability pension, rehabilitation allowance or social security benefit for persons with health impairments on 31 December 2011.

(3) The following must be included in the 1,095-day period set out in Paragraph *a)* of Subsection (1):

a) the period during which sick pay, accident allowance, maternity and childbirth allowance, childcare benefit, jobseeker’s allowance was received;

b) the period during which disability pension, accident disability pension, rehabilitation allowance, social security benefit for persons with health impairments and disability allowance was received;

c) Employment period accumulated on the grounds of the agreement concluded in accordance with Section 34 of the Social Security Benefits Act with the aim of generating income constituting pension and service period authorising pension benefits, if this agreement was concluded before 31 December 2011.

Section 3 (1) In accordance with the recommendation made within the framework of the complex rating procedure conducted by the rehabilitation authority, persons with disabilities shall be eligible for:

- a)* rehabilitation allowance or
- b)* disability allowance.

(2) Within the framework of the complex rating procedure, the rehabilitation authority verifies that

- a)* the disabled person can be rehabilitated, more specifically
 - aa)* the given individual's employability can be restored, or
 - ab)* the given individual is in constant need of employment rehabilitation;
 - b)* the rehabilitation of the disabled person is not recommended, more specifically
 - ba)* that the employability of the given person can be restored through rehabilitation based on their state of health; however, due to other circumstances defined within the scope of the decree on the professional rules for complex rating, the rehabilitation of the given individual is not recommended;
 - bc)* the given individual can only be employed if constantly assisted, or
 - bd)* the health impairment of the given individual is significant and this individual is either not self-sufficient or only self-sufficient if assisted.

Section 4 Any disabled person that can be rehabilitated shall be eligible for rehabilitation allowance.

Section 5 (1) Any disabled person whose rehabilitation is not recommended shall be eligible for disability allowance.

(2) Disabled persons shall also be eligible for disability allowance if

- a)* the employability of the individual can be restored through rehabilitation, or
- b)* the individual is in constant need of employment rehabilitation

and the period remaining for reaching the old age pension age threshold does not exceed 5 years when the application was submitted or on the date of review.

3. Rehabilitation Allowance

Section 6 (1) Within the framework of the rehabilitation allowance, the disabled person shall be eligible to receive

- a)* the necessary services required for successful rehabilitation (hereinafter referred to as "rehabilitation services"), as well as
- b)* financial assistance (hereinafter referred to as "financial assistance").

(2) The individual receiving the rehabilitation allowance shall cooperate with the rehabilitation authority, within the framework of which the individual shall fulfil obligations set out in the rehabilitation plan.

(3) Within the framework of the obligation to cooperate defined above under Subsection (2), the individual receiving the rehabilitation allowance shall

- a)* turn up at the rehabilitation authority in the timeslot defined in the rehabilitation plan;
- b)* fulfil their notification obligations;
- c)* actively search for a job;
- d)* accept the
 - da)* rehabilitation services offered, as well as the subsidised training opportunity;
 - db)* take part in the labour market programme promoting access to a suitable workplace and
 - dc)* accept a job offer at a suitable workplace, including employment in public work schemes.

Section 7 (1) The rehabilitation allowance shall be granted on the date the eligibility criteria applied in respect of disability allowances is fulfilled, however, no sooner than the date on

which the application is submitted, for the duration rehabilitation is required; however, for a maximum period of 3 years as of its receipt.

(2) If the individual eligible for a rehabilitation allowance receives regular financial assistance on the date from which the individual is eligible for the rehabilitation allowance on the grounds of Subsection (1), the individual shall be entitled to receive rehabilitation allowance following the cancellation of the regular financial assistance.

(3) In the case of recipients engaging in income earning activity, the duration of the rehabilitation allowance shall be extended by the period of incapacity for work (hereinafter referred to as “incapacity for work”) during the period of income earning activity. In view of incapacity for work, as governed in the Act on Compulsory Social Security Benefits, the individual eligible for rehabilitation allowance shall be eligible for sick pay or accident allowance.

(4) The rehabilitation financial assistance shall be suspended throughout the period in which the eligible individual

a) engages in income earning activity or takes part in a public work scheme, if, in accordance with the employment contract, the given individual works over 20 hours a week or

b) is incapacitated to work.

(4a) The rehabilitation financial assistance received during the period of suspension shall be deducted from the allowance due for the next month following the date on which reasons for suspension were gained knowledge of, or shall be reclaimed in the event of the cancellation of the rehabilitation allowance. Maximum 50% of the rate of the rehabilitation financial assistance may be deducted.

(5) With the exception of specifications set out under Subsection (3), the duration of the rehabilitation allowance cannot be extended.

(6) The rehabilitation allowance may be once again granted if health impairment occurred after the complex rating procedure carried out earlier, and therefore was not taken into account, and eligibility criteria are satisfied.

Section 8 (1) The following must be ensured for the disabled person within the scope of rehabilitation services:

a) services required to prepare the individual for employment at a suitable workplace and

b) employment rehabilitation services to employ the individual at a suitable workplace.

(2) The rehabilitation authority shall ensure access to rehabilitation services and public work scheme employment opportunities, and, in this regard, shall conclude contracts with service providers as required and cooperate with the state employment agency.

(3) The rehabilitation authority shall cooperate with the state employment agency, employers, employment agencies and organisations involved in the rehabilitation of disabled persons to mediate jobs for the purpose of rehabilitation and shall, based on the labour demand declared, ensure the contact between the individual suitably capable of undertaking employment receiving an allowance and the employer and shall mediate between the individual receiving the allowance and the employer as required.

Section 9 (1) The monthly rate of the rehabilitation financial assistance in the case of individuals receiving rehabilitation allowances

a) shall be equivalent to 35% of the average monthly wage or minimum 30% and maximum 40% of the minimum wage in the case of individuals that can be rehabilitated;

b) shall be equivalent to 45% of the average monthly wage or minimum 40% and maximum 50% of the minimum wage in the case of individuals in constant need of employment rehabilitation.

(2) For the application of Subsection (1), minimum wage shall be defined as the minimum wage determined for 2012 under Paragraph (1) of Subsection *s*) of Section 4 of the Social Security Benefits Act.

(3) The rehabilitation allowance shall be increased in accordance with and proportionately to rules regulating pension increase set out within the scope of the Social Security Pension Benefits Act.

Section 10 (1) The rehabilitation allowance shall be cancelled in the event of the death of its recipient on the first day of the month following the death of this individual.

(2) The rehabilitation allowance must be cancelled if the recipient of the rehabilitation allowance

- a*) requested this;
- b*) the period of eligibility for the allowance has ended;
- c*) regularly receives other financial assistance, with the exception of sick pay, accident allowance granted in light of incapacity for work;
- d*) experiences such a deterioration in their state of health that makes rehabilitation impossible;
- e*) experiences such an improvement in their state of health on the grounds of which the individual no longer classify as a disabled person;
- f*) fails to fulfil obligations specified in the cooperation, notification or rehabilitation plan for reasons attributable to the individual;
- g*) fails to cooperate during the review procedure for reasons attributable to the individual, or
- h*) has been employed or entered into a legal relationship aimed at employment without having made any legal declaration.

(3) In the case defined under Paragraph *a*) of Subsection (2), the rehabilitation allowance shall be cancelled on the date specified in the application, or on the first day of the month following the submission of the application if such a date has not been specified, whilst in the case defined under Paragraph *c*) of Subsection (2), it shall be cancelled on the day preceding the approval of regular financial assistance, and in the case defined in Paragraphs *d*) to *h*) of Section (2) it shall be cancelled on the first day of the month after reasons for cancellation are determined.

(4) Specifications defined in Paragraphs *d*) and *e*) of Subsection (2) shall be verified on the grounds of the complex rating procedure carried out by the rehabilitation authority.

(5) If the rehabilitation allowance was cancelled on the grounds of Paragraph *h*) of Subsection (2), the financial assistance granted during the 12 months preceding the date of cancellation – or every month of eligibility if the period of eligibility is shorter – shall qualify as unauthorised payment and must be paid back.

4. Disability Allowance

Section 11 (1) The disability allowance may be granted from the date eligibility criteria is fulfilled; however, no sooner than the first day of the sixth month preceding the date of submission of the application.

(2) If the individual eligible for disability allowance regularly receives financial assistance on the grounds of which the disability allowance would be approved in accordance with Subsection (1), the allowance may be granted from the day following the date of cancellation of the regular financial assistance.

Section 12 (1) The rate of the disability allowance shall be equivalent to

- a*) 40% of the average monthly wage or minimum 30% and maximum 45% of the minimum wage in the case defined in Subparagraph *ba*) of Paragraph *b*) of Subsection (2) of Section 3 and Paragraph *a*) of Subsection (2) of Section 5;

b) 60% of the average monthly wage or minimum 45% and maximum 150% of the minimum wage in the case defined in Subparagraph *bb)* of Paragraph *b)* of Subsection (2) of Section 3 and Paragraph *b)* of Subsection (2) of Section 5;

c) 65% of the average monthly wage or minimum 50% and maximum 150% of the minimum wage in the case defined in Subparagraph *bc)* of Paragraph *b)* of Subsection (2) of Section 3;

d) 70% of the average monthly wage or minimum 55% and maximum 150% of the minimum wage in the case defined in Subparagraph *bd)* of Paragraph *b)* of Subsection (2) of Section 3.

(2) For the application of Subsection (1), minimum wage shall be defined as the minimum wage determined for 2012 under Paragraph (1) of Subsection (*s*) of Section 4 of the Social Security Benefits Act.

(3) The disability allowance shall be increased in accordance with and proportionately to rules regulating pension increase set out within the scope of the Social Security Pension Benefits Act.

Section 13 (1) The disability allowance shall be cancelled in the event of the death of its recipient on the first day of the month following the death of this individual.

(2) The rehabilitation allowance must be cancelled if the recipient of the rehabilitation allowance

a) requested this;

b) regularly receives other financial assistance, with the exception of sick pay, accident allowance granted in light of incapacity for work;

c) experiences such an improvement in their state of health on the grounds of which eligibility no longer applies;

d) engages in income earning activity and the individual's average monthly income for three consecutive months exceeds 150% of the minimum wage;

e) has been employed or entered into a legal relationship aimed at employment without having made any legal declaration;

f) fails to fulfil notification obligations for reasons attributable to them;

g) fails to cooperate during the review procedure for reasons attributable to them.

(3) In the case defined under Paragraph *a)* of Subsection (2), the disability allowance shall be cancelled on the date specified in the application, or on the first day of the month following the submission of the application if such a date has not been specified, whilst in the case defined in Paragraph *b)* of Subsection (2), it shall be cancelled on the day preceding the approval of regular financial assistance, and in the case defined in Paragraphs *c)* to *g)* of Subsection (2) it shall be cancelled on the first day of the month after reasons for cancellation are determined.

(4) Specifications defined in Paragraphs *c)* of Subsection (2) shall be verified on the grounds of the complex rating procedure carried out by the rehabilitation authority.

(5) If the rehabilitation allowance was cancelled on the grounds of Paragraph *e)* of Subsection (1), the financial assistance granted during the 12 months preceding the date of cancellation – or every month of eligibility if the period of eligibility is shorter – shall qualify as unauthorised payment and must be paid back.

5. Procedural Rules Regarding Allowances for Persons with Disabilities

Section 14 (1) Allowances for disabled persons may be requested from the rehabilitation authority on the official form or the electronic form. Further requests submitted within a period of 12 months following the entry into force of the decision rejecting the applicant on the grounds of their state of health shall only be assessed if, on the grounds of the healthcare

documentation available, it is possible to determine that the state of health of the applicant permanently deteriorated after the rejection of their application.

(2) The procedure defined within the scope of this legislation in respect of allowances for disabled persons – including the procedure aimed at remitting, reducing debt owed and authorising partial payment – is free of charge.

(3) Pursuant to the request of the rehabilitation authority and with the aim of granting the allowance

a) the number of days insured within a period of five years preceding the submission of the application

aa) shall be provided by the pension insurance authority based on data registered in the database for the period preceding 1 January 2010 and

ab) tax authority for the period following 31 December 2009;

b) whilst data constituting the basis for the amount of social security contribution declared in the declaration specified under Subsection (2) of Section 31 of the Taxation Act for the period following 31 December 2010 to determine the average monthly wage shall be provided by the tax authority

within a period of 15 days following the request.

(4) Pursuant to the request of the rehabilitation authority – in order to determine the allowance – the pension insurance authority shall, within a period of 15 days, disclose data regarding the period during which disability pension, accident disability pension, rehabilitation allowance, social benefits granted to persons with impairments was received.

(5) Pursuant to the request of the rehabilitation authority – in order to determine the allowance – the social security authority shall

a) within a period of 15 days, disclose data regarding the period during which sick pay, accident allowance, maternity and childbirth allowance and childcare benefit was received;

b) within a period of 45 days, disclose data regarding the period of insurance in the EEA member state in the case of individuals to whom EU regulations apply or the state party to the agreement in the case of individuals to whom social security international memorandums apply.

Section 15 (1) Within the framework of the complex rating procedure, the rehabilitation authority assesses the percentage rate of the state of health of the applicant, their rehabilitation potential and drafts a recommendation for rehabilitation if the disabled person can be rehabilitated.

(2) The possible trajectory of rehabilitation, rehabilitation needs, as well as the time needed for rehabilitation must be defined in the rehabilitation recommendation. As a possible trajectory of rehabilitation, the rehabilitation authority determines the occupations, occupational categories and occupational sub-categories suitable for the given individual or which may be suitable for the given individual following the use of rehabilitation services if criteria defined by the rehabilitation authority apply. The Standard Classification of Occupations is taken into account when determining occupations, occupational categories and occupational sub-categories.

(3) If, within the framework of a complex rating procedure, the rehabilitation authority issued an official position in connection with specifications set out under Subsections (1) to (2) within the scope of a procedure conducted by an alternative body, it is not necessary to once again carry out the complex rating procedure within the scope of the procedure applied in respect of allowances for disabled persons during the period of validity of the official position.

Section 16 The applicant may be obliged to personally turn up at the examination conducted by the rehabilitation authority. The procedure shall be cancelled if the applicant is unable to turn up for the appointment for reasons attributable to the individual.

Section 17 (1) The individual receiving a disability allowance shall notify the rehabilitation authority within a period of 15 days if

a) changes have taken place in the circumstances forming the basis of the eligibility criteria or

b) engages in income earning activity and the individual's average monthly income for three consecutive months exceeds 150% of the minimum wage.

(2) The individual receiving the disability allowance shall immediately certify how much their income is concurrently to issuing notification about the income earning activity, as well as in the event of changes to the former.

(3) The individual receiving the disability allowance shall notify the rehabilitation authority within a period of 15 days if

a) the individual experiences permanent improvement or deterioration in their state of health;

b) engages in income earning activity or

c) their income earning activity has terminated.

Section 18 (1) The body designated by the Government shall grant the disability and rehabilitation financial assistance, which shall be paid from the disability and rehabilitation appropriation of the Health Insurance Fund. The Government shall also provide the allowances specified in the present Act if these cannot be covered from the Health Insurance Fund.

(2) In order to efficiently use the financial resources of the Health Insurance Fund, once the actual circumstances are clarified, the decision made in connection with the eligibility of the disabled person to receive an allowance and be granted the allowance may be deemed executable regardless of legal redress. The suspension of the execution of this decision shall not be authorised within the scope of a court review procedure.

(3) The rate of the disability and rehabilitation financial assistance retrospectively due must be decreased by the amount of the allowance granted by the body designated by the Government during the same period, providing that the individual was not eligible to concurrently receive the two allowances. This shall be compensated in the decision issued by the body designated by the Government. If the rate of the allowance due retrospectively is lower than the rate of compensation, the difference collected in an unauthorised manner shall be recuperated.

Section 19 (1) The rehabilitation authority shall conduct a review (hereinafter referred to as "review") in respect of the circumstances determined during the course of the complex rating procedure

a) on the date defined in the decision approving the allowance;

b) upon the request of the applicant;

c) in the event of the permanent deterioration, or at least 30 consecutive days of incapacity for work, of the state of health of the individual receiving the disability allowance;

d) in the event of gaining knowledge of any fact or circumstance on which grounds it can be presumed that the circumstance determined earlier during the complex rating procedure did not arise during the period in which it was determined, or

e) in the case of prescribing special examinations.

(2) If, during the review procedure, the rehabilitation authority deems that the classification category specified in Subsection (2) of Section 3 deviates from the classification category determined prior to review (hereinafter referred to as "change in state of health"), the authority shall determine the disability allowance and its rate by taking account of the new classification category on the first day of the second month following the decision made in this regard. In the event of change in state of health, the average monthly wage taken as basis

before increased by the annual consumer inflation rate shall be taken into account to determine the allowance to be paid to the disabled person.

(3) If, during the review procedure, the rehabilitation authority deems that the individual's state of health has not changed, the allowance received earlier shall be continued.

Section 20 Unless otherwise regulated within the scope of relevant legislation, provisions governing the Act on Compulsory Social Security Allowances shall be applied in respect of the repayment of rehabilitation financial assistance and disability allowance collected in an unauthorised manner, the collection of the amount claimed, remitting, reducing debts owed and authorising partial payment, providing that social security financial allowances refer to the allowances of the disabled person and that the social security authority refers to the rehabilitation authority.

Section 20/A (1) Any financial assistance not collected because of the death of the individual receiving the disability allowance may be collected from the day of the death of the former, or for a period of one year following the entry into force of the probate decision, by the spouse, child, grandchild, parent, grandparent or brother or sister living in the same household as the above individual– in this order – or by the heir, beneficiary.

(2) Any individual that collected financial assistance in an authorised manner after the death of the individual receiving the disability allowance shall be required to pay the amount back.

6. Data Management

Section 21 (1) With the aim of conducting the complex rating procedure, determining and controlling the allowances of disabled persons, the rehabilitation authority shall and, to pay the allowance the body designated by the Government shall, based on the social security number, be authorised to manage the following data on the social security account or pension directorate registration number:

- a)* the applicant's, eligible individual's
 - aa)* natural personal identification data;
 - ab)* period covered by insurance;
 - ac)* address, place of residence,
 - ad)* state of health, capacity for work, potential for rehabilitation and changes to these,
 - ae)* social status, eligibility for social benefits,
 - af)* education and vocational training,
 - ag)* income earning activity, employment, workplace and job,
 - ah)* income,
 - ai)* incapacity for work,
 - aj)* social security number,
 - ak)* gender,
 - al)* citizenship, immigration, settlement, refugee and protected status and
 - am)* date of death
- b)* approval and cancellation of the allowance, its starting and ending date and
- c)* circumstances determined within the framework of the complex rating procedure.

(2) With the aim of assessing the reasons underlying the approval and cancellation of allowances granted to disabled persons, the state tax authority shall forward data concerning the income of the individual receiving the allowance each month to the rehabilitation authority based on the declaration set out in Subsection (2) of Section 31 of Act XCII of 2003 on the Rules of Taxation up to the final day of the month following the deadline set for submitting the declaration. The rehabilitation authority shall be authorised to use the tax number in respect of the receipt of data specified in the present Section, as well as data defined in Subsection (3) of Section 14.

(3) To be able to deliver their respective tasks, the court, public prosecutor, investigating authority and their penal/correctional bodies, military justice, national security agencies, state tax authority, labour inspection authority, state employment service, mining inspectorate, body competent in social affairs, treasury, body responsible for guardianship, social security service, pension directorate, as well as social institutions providing personal care shall be authorised to request data listed in Subsection (1) for purposes defined by law and to fulfil these conditions. Provisions governing the Act on Use of Identification Codes and Modes of Identification Replacing the Personal ID Number shall be applied for forwarding the social security number.

(4) Within the framework of procedures defined in the present Act, the minister responsible for health operating the access point as set out in EU regulations shall manage personal and special data put through electronic data exchange and managed by judicial bodies in compliance with the present Act for the purpose specified in EU regulations and the extent and duration required.

(5) Data managed pursuant to authorisation granted within the scope of the present Act may be used for statistical purposes and passed on for use for statistical purposes in a manner that rules out the possibility of personal identification.

(6) In regard to other considerations concerning the management of healthcare data and the protection of such data, provisions governing the Act on the Management and Protection of Healthcare and Connecting Personal Data shall apply.

(7) The rehabilitation authority shall safeguard data specified in Subsection (1) of Section 42 of the Social Security Benefits Act registering allowances granted to disabled persons

a) for a period of 5 years following the date of effect of the decision rejecting the application for disability allowance;

b) for a period of 10 years following the cancellation or termination of the disability allowance.

The data must be discarded after this cut-off date.

Section 21/A (1) The database registering individuals with authorised access to the database registering disability allowances (hereinafter referred to as “user”) contains the following user data in order to verify access authorisation:

a) natural personal identification data;

b) name and seat of the organisation in whose name they are exercising user rights and

c) eligibilities.

(2) If the user accesses the database registering disability allowances from an external network, the rehabilitation authority shall register the data of the accessing organisation (system, network) defined in Subsection (1). The body connecting to the database shall be responsible for registering other user registration data.

(3) User data specified in Subsection (1) must be safeguarded for a period of 5 years following the cancellation of authorised access.

7. The Rehabilitation Contribution and Promoting the Employment of Persons with Disabilities

Section 22 In regard to the application of Sections 23 to 24, any individual shall be considered as a disabled person

a) that qualifies as disabled on the grounds of Subsection (1) of Section 2,

b) has a minimum degree of health impairment of 40% throughout the duration of the scope of effect of the medical opinion, official position issued in this regard,

c) whose reduced work capacity reaches 50-100% throughout the duration of the scope of effect of the official opinion issued in this regard, or

d) receives disability benefit or personal allowance for the blind

and works at least 4 hours each day based on the employment contract of the individual.

Section 23 (1) The employer shall pay rehabilitation contribution to facilitate the employment rehabilitation of disabled persons if they employ over 25 employees and the proportion of the disabled persons they employ is under 5% (hereinafter referred to as “compulsory employment rate”).

(2) The following shall not be taken into account to determine the number of employees employed by the employee:

a) employment in public work schemes, as well as individuals employed within the scope of subsidised employment programmes as defined in the Government Decree on the Subsidisation of Public Work Schemes;

b) legally employed employees employed in compliance with rules governing simplified employment;

c) employees contracted voluntarily in the military reserve force and

d) employees employed temporarily at other employers on the grounds of the Labour Code.

(3) The annual rate of the rehabilitation contribution shall be equivalent to the product of the number of employees missing from the compulsory employment rate and the rehabilitation contribution rate.

(4) For the application of Subsections (1) to (3), number of employees shall refer to the average statistical number of employees for the given year specified in the guidelines issued by the employment statistics data service of the Hungarian Statistical Office by disregarding individuals defined in Subsection (2). The statistical number of employees rounded to one decimal place shall be defined in accordance with general rules for rounding.

(5) The rate of the rehabilitation contribution shall amount to 964 500 HUF/person/year.

(6) Contrary to Subsection (1), the following shall in particular be exempt from the payment of rehabilitation contribution:

a) armed forces to whom the Act Governing Conditions of Service for Members of the Regular Armed Forces applies;

b) business organisations established for the permanent employment of detainees under the supervision of the minister responsible for correctional measures.

(7) The employer that employs disabled employees shall administer a database for the purpose of determining the rate of rehabilitation contribution, which database shall register the natural personal identification data of the disabled employee, the individual’s social security number, degree of disability, state of health and health impairment, disability status, as well as copies of documents certifying these. The employer shall be obliged to safeguard this database for a period of five years following the termination of employment.

Section 24 (1) Employees obliged to pay rehabilitation contribution shall declare and calculate its rate on their own and shall directly pay it to the account administered by the tax authority.

(2) An advance payment must be paid during the year every quarter in respect of the rehabilitation contribution. The rate of this advance payment shall be equivalent to 25% of the annual rehabilitation contribution payment obligation calculated for the current quarter on the grounds of factual data. The employer shall calculate the rate of this advance payment and shall declare it concurrently to fulfilling this payment obligation. An advance payment does not have to be paid in the final quarter. The obliged employer that has started their respective activity shall prepare their first declaration and pay the first advance payment instalment following the first full quarter.

(3) Provisions governing the Act on the Rules of Taxation shall prevail in respect of matters not regulated in regard to rehabilitation contribution within the scope of the present Act. Rehabilitation contributions shall constitute the revenue of the state budget.

Section 25 (1) In accordance with specifications set out in the Government Decree, the rehabilitation authority may, within the framework of a grant procedure, provide

a) funding to transform the workplace for rehabilitation purposes;
b) wage and costs related financial assistance to the accredited employer;
if the employer agrees to employ an individual classified as disabled on the grounds of the complex rating procedure conducted by the rehabilitation authority.

(2) Public debts ensuing from the unauthorised use of the funding defined above under Subsection (1) shall be recovered as taxes.

(3) The employment of the disabled person for a definite period may, contrary to Subsection (2) of Section 192 of the Labour Code, be extended for the duration of subsidised employment set out under Subsection (1).

Section 26 Disabled persons qualified by the rehabilitation authority on the grounds of the complex rating procedure shall be entitled to receive the rehabilitation card defined within the scope of separate legislation if, based on the complex rating procedure, the individual's employability can be restored or the individual is in constant need of employment rehabilitation.

Section 26/A The rehabilitation authority shall conduct the complex rating procedure pursuant to the request of the disabled person and shall issue official certification about its results.

8. The Employment Rehabilitation Expert

Section 27 (1) With the exception of individuals authorised to act as judicial experts in compliance with the Act on Judicial Experts, exclusively individuals

a) with a clean criminal record,
b) not banned from undertaking employment rehabilitation expert activities and
c) that satisfy other criteria defined in the Decree issued by the competent minister for promoting social equal opportunity
shall be authorised to act as judicial experts.

(2) Any individual that wishes to engage in the expert activity defined above under Subsection (1) shall declare this intention to the body designated by the Government. This declaration shall include the natural personal ID data of the informant, as well as certification that reasons for exemption do not apply. The informant shall, on the grounds of the official certification, prove that they have a clean criminal record and are not banned from engaging in employment rehabilitation expert activities, or request that the data proving the former is sent to the body designated by the Government based on the data request made to assess the declaration. During the course of the data request procedure, the body designated by the Government shall be entitled to request the data defined in Subsection (4) from the body registering criminal records. Throughout the duration of the declaration procedure, the body designated by the Government shall manage data justifying criteria defined in Subsections (1) and (4).

(3) The body designated by the Government shall record individuals authorised to undertake expert activities making the declaration specified in Subsection (2) in a database (hereinafter referred to as "employment rehabilitation expert database"), which beyond the data specified in the Act on the General Rules Governing the Start and Continuation of Data Provision Activities, also records data regarding the contact details and educational qualifications of the individual authorised to undertake expert activities. Only data certifying eligibility to undertake expert activities may be requested from the employment rehabilitation expert database.

(4) Within the framework of the official control procedure conducted during the period in which employment rehabilitation expert activities are carried out, the body designated by the

Government shall verify the fulfilment of requirements defined in Subsection (1). The body designated by the Government shall be entitled to request data from the criminal database for the purpose of conducting official screening, review. Data requests may exclusively relate to verifying whether the expert has a clean criminal record or is banned from engaging in employment rehabilitation expert activities.

(5) The body designated by the Government shall manage personal data disclosed pursuant to Subsection (4) until the official control procedure is carried out.

(6) The body designated by the Government shall ensure the training of employment rehabilitation experts in compliance with specifications set out in the Decree issued by the minister responsible for promoting social equal opportunity.

8/a. The Rehabilitation Medical Expert

Section 27/A (1) With the exception of individuals authorised to act as judicial experts in compliance with the Act on Judicial Experts, exclusively individuals

a) with a clean criminal record,
b) not banned from undertaking employment rehabilitation expert activities and
c) that satisfy other criteria defined in the Decree issued by the competent minister for promoting social equal opportunity
shall be authorised to act as medical experts.

(2) Any individual that wishes to engage in the expert activity defined above under Subsection (1) shall declare this intention to the body designated by the Government. This declaration shall include the natural personal ID data of the informant, as well as certification that reasons for exemption do not apply. The informant shall, on the grounds of official certification, prove that they have a clean criminal record and are not banned from engaging in employment rehabilitation expert activities, or request that the data proving the former is sent to the body designated by the Government based on the data request made to assess the declaration. During the course of the data request procedure, the body designated by the Government shall be entitled to request the data defined in Subsection (4) from the body registering criminal records. Throughout the duration of the declaration procedure, the body designated by the Government shall manage data justifying criteria defined in Subsections (1) and (4).

(3) The body designated by the Government shall record individuals authorised to undertake expert activities making the declaration specified in Subsection (2) in a database (hereinafter referred to as “rehabilitation medical expert database”), which beyond the data specified in the Act on the General Rules Governing the Start and Continuation of Data Provision Activities, also records data regarding the contact details and educational qualifications of the individual authorised to undertake expert activities. Only data certifying eligibility to undertake expert activities may be requested from the rehabilitation medical expert database.

(4) Within the framework of the official control procedure conducted during the period in which rehabilitation medical expert activities are carried out, the body designated by the Government shall verify the fulfilment of requirements defined in Subsection (1). The body designated by the Government shall be entitled to request data from the criminal database for the purpose of conducting official screening, review. Data requests may exclusively relate to verifying whether the expert has a clean criminal record or is banned from engaging in rehabilitation medical expert activities.

(5) The body designated by the Government shall manage personal data disclosed pursuant to Subsection (4) until the official control procedure is carried out.

(6) The body designated by the Government shall ensure the training of rehabilitation medical experts in compliance with specifications set out in the decree issued by the minister responsible for promoting social equal opportunity.

9. Miscellaneous Provisions

Section 28 (1) The Government shall be authorised to

- a)* define procedural rules in connection with determining allowances for disabled persons, granting, suspending and cancelling these;
- b)* detailed procedural rules in connection with the complex rating procedure;
- c)* procedural rules in connection with rehabilitation services and rehabilitation, as well as rules regarding the rehabilitation plan;
- d)* rules regarding the control and accreditation of employers employing persons with disabilities;
- e)* rules pertaining to conditions regarding salary and employment benefits and the rate of these, as well as approval, granting, registration, cancellation, repayment and control of these benefits and funding available for employment promotion which may be granted from EU funds;
- f)* cases of exemption from the payment of the rehabilitation contribution not regulated herein and their detailed set of conditions within the scope of a decree.

(2) The Government shall be authorised to designate the rehabilitation authority, the body paying allowances for disabled persons, the medical expert body, the body responsible for managing the employment rehabilitation expert database and the rehabilitation medical expert database, as well as the body responsible for undertaking tasks in connection with the training of employment rehabilitation experts and rehabilitation medical experts within the scope of a decree.

(3) The minister responsible for promoting social equal opportunity shall, in agreement with the minister for justice, be authorised to define the detailed set of professional rules to be applied in respect of complex rating within the scope of a decree.

(4) The minister responsible for promoting social equal opportunity shall be authorised to define criteria for engaging in employment rehabilitation expert activities, the content of data for declaring the expert activity and the rehabilitation medical expert database not classified as personal data, procedural rules pertaining to declaration and recording the data, rules pertaining to training, as well as legal consequences to be applied in the event of non-compliance with obligations prescribed by law or in the official decision within the scope of a decree.

(4a) The minister responsible for promoting social equal opportunity shall be authorised to define criteria for engaging in rehabilitation medical expert activities, the content of data for declaring the expert activity and the rehabilitation medical expert database not classified as personal data, procedural rules pertaining to declaration and recording the data, rules pertaining to training, as well as legal consequences to be applied in the event of non-compliance with obligations prescribed by law or in the official decision within the scope of a decree.

(5) The minister responsible for promoting social equal opportunity shall, in agreement with the minister responsible for tax policy, be authorised to define rules pertaining to the administration service fee to be paid for the accreditation procedure of the employer employing disabled persons within the scope of a decree.

(6) The minister responsible for promoting social equal opportunity shall, in agreement with the minister responsible for tax policy, be authorised to define rules pertaining to the administration service fee to be paid for registration in the employment rehabilitation expert database and the rehabilitation medical expert database within the scope of a decree.

Section 29 (1) With the exception to Subsections (2) to (6), the present Act shall enter into force on 31 December 2011.

(2) Sections 1 to 13, Subsections (1) to (3) of Section 14, Subsection (5) of Section 14, Sections 15 to 28, Sections 30 to 73, Sections 75 to 89, Subsection (1) of Section 90, Sections 91 to 119, Subsection (1) of Section 120, Sections 121 to 189, Section 191 and Sections 194 to 198 shall enter into force on 1 February 2012.

(3) Section 74, Subsection (1) of Section 199 and Section 200 shall enter into force on 1 February 2012.

(4) Subsection (4) of Section 14 and Subsection (2) of Section 199 shall enter into force on 1 July 2012.

(5) Subsection (2) of Section 90 shall enter into force on 1 January 2014.

(6)

Section 29/A Regulations in effect prior to 1 January 2012 shall be applied in respect of requesting tax cuts regulated within the scope of the Act on Measures Required to Extend Employment and Make It More Flexible, whilst regulations in effect on the date the agreement was concluded shall be applied in respect of tax cuts in the case of agreements concluded with the employment centre.

Section 30 (1) Disability pensions, accident disability pensions, rehabilitation allowances, regular social benefits, temporary allowances and special allowances for miners shall be cancelled from 1 January 2012.

(2) Following the annulment of allowances defined within the scope of the present Act, any individual receiving a disability or accident disability pension on 31 December 2011 granted on the grounds of Act XLIII of 1996 on the Conditions of Service for Members of the Regular Armed Forces, provisions governing Act XCV of 2001 on the Conditions of Service for Members of the Regular and Contractual Armed Forces in effect prior to 1 January 2012 or Decree 10 of 1971 on the Conditions of Service for Members of the Regular Armed Forces may request an allowance if the given individual satisfies requirements set out under Subsection b) of Section 9 of Act CLXVII of 2011 on the Abolishment of Early Retirement Schemes, Early Pensions and Service Dues.

(3) The pension directorate shall notify the applicant about legislative changes and have the applicant issue a declaration about whether the individual wishes to proceed with their application regarding allowances defined in the present Act in the case of applications in progress on 31 December 2011. Any individual that withdraws their respective application in respect of allowances defined in the present Act, the allowance requested prior to 1 January 2012 shall be approved up to the cut-off date of 31 December 2011 if the applicant satisfies eligibility criteria.

(4) Whereby the applicant decides to proceed with their application pursuant to the declaration specified above under Subsection (3) and the complex rating procedure has been carried out by 31 December 2011, if eligibility criteria are satisfied

a) the applicant shall, in accordance with regulations in effect on 31 December 2011, be eligible for Category I, II, III disability pension, accident disability pension, regular social benefit or temporary allowance up to 31 December 2011;

b) From 1 January 2012

ba) allowances shall be provided as disability allowances in the case of any individual receiving Category I–II disability pension, accident disability pension or Category III disability pension, accident disability pension within a period of 5 years from the old-age pension age threshold or regular social benefit or temporary allowance over the old-age pension age threshold or reaching this threshold within a period of 5 years, providing that the rate of the allowance corresponds to the monthly rate of the allowance defined in Paragraph *a)*

increased by the rate of pension increase due in January 2012 in the case of disability and accident disability pensions;

bb) allowances shall be provided as rehabilitation allowances to individuals receiving Category III disability pension, accident disability pension or regular social benefit to whom provisions governing Subparagraph *ba)* do not apply, providing that the rate of the allowance corresponds to the monthly rate defined under Paragraph *a)* increased by the rate of pension increase due in January 2012 in the case of disability and accident disability pensions.

For the application of Subparagraph *ba)* of Paragraph *b)*, any individual that turned 57 by 31 December 2011 shall qualify as an individual reaching the old-age pension age threshold within a period of 5 years.

(5) Whereby the applicant decides to proceed with their application in accordance with the declaration made according to Subsection (3) and the complex rating procedure has not been carried out up to 31 December 2011, if eligibility criteria are satisfied

a) the individual shall be eligible for disability allowance or rehabilitation allowance from 1 January 2012,

b) and for the period up to 31 December 2011

ba) the individual shall be eligible for regular social benefit or temporary allowance if the employability of the given individual can be restored through rehabilitation or, based on the individual's state of health, the employability of the given individual can be restored, however, the employment rehabilitation of the individual is not recommended due to other circumstances defined in the Decree regulating professional rules to be followed during the course of the complex rating procedure;

bb) the individual shall be eligible for Category III disability pension or accident disability pension, if the applicant is in constant need of employment rehabilitation or, based on the individual's state of health, the applicant is in constant need of employment rehabilitation, however, the employment rehabilitation of the individual is not recommended due to other circumstances defined in the Decree regulating professional rules to be followed during the course of the complex rating procedure;

bc) the individual shall be eligible for Category II disability pension or accident disability pension, if the applicant can only be employed if provided continuous assistance, and

bd) the individual shall be eligible for Category I disability pension or accident disability pension, if the applicant is severely impaired and is either not self-sufficient or only self-sufficient if assisted. I

(6) Any individual that was eligible for pension increase prior to 1 January 2012 on the grounds of Section 22/A of the Social Security Pension Benefits alongside receiving a disability pension or accident disability pension shall be entitled to enforce this right by applying regulations relevant to old-age pension, even if the given individual receives a disability allowance.

(7) By applying Section 25 of Government Decree 168/1997 on the Implementation of Act LXXXI of 1997 on Social Security Pension Benefits in effect on 31 December 2011, based on the decision regarding the deterioration of state of health, the increased disability pension or accident disability pension must be granted by 31 December 2011.

(8) By applying Section 25 of Government Decree 168/1997 on the Implementation of Act LXXXI of 1997 on Social Security Pensions in effect on 31 December 2011, the Decree on Decreasing (lowering) the Disability Pension, Accident Disability Pension due to Improvement in State of Health shall be executed from the date specified in this Decree in a manner that if, pursuant to the Decree

a) the individual is eligible for Category II disability pension, accident disability or Category III disability pension, accident disability pension in the case of individuals that

turned 57 before 31 December 2011, this allowance shall, in the following, be continued to be provided as disability allowance,

b) the individual is eligible for Category III disability pension, accident disability not listed in Paragraph *a)*, this allowance shall, in the following, be continued to be provided as rehabilitation allowance

at the rate defined in the Decree.

(9) Allowances for which the disabled person is eligible pursuant to the present Act do not affect the increase in income, according to which the employer of the disabled person increased the salary of the disabled person in accordance with the expected rate for 2012 to preserve the net value of the given individual's salary, if, pursuant to the present Act, the disabled person is authorised to engage in income earning activity and take part in a public work scheme.

(10) Any employer that increased the salary of the disabled person in accordance with the expected rate for 2012 to preserve the net value of the given individual's salary shall still be eligible for state subsidies that may be granted for the employment of disabled persons.

(11) Subsections (9) and (10) of Section 30 of the present Act defined pursuant to Act XXI of 2012 on the Amendment of Certain Legislation Relating to the Implementation of the Expected Salary Increase and Employment shall be applied as of 1 January 2012.

Section 31 From 1 January 2012, the pension directorate shall continue to provide the disability pension or accident disability pension granted to any individual receiving a disability pension or accident disability pension on 31 December 2011 and reaching the age threshold for old-age pension by 31 December 2011 as old-age pension at the rate corresponding to the rate of the pension valid for December 2011 increased by the rate of pension increase valid for January 2012. For the application of the present Section, the pension directorate shall act within its official scope of competency and not make any special decision regarding the continuation of the pension.

Section 32 (1) From 1 January 2012, the body designated by the Government shall, in respect of the any recipient of allowances to whom Subsections (3) to (5) of Section 30 and Section 31 do not apply on 31 December 2011 receiving

a) Category I–II disability pension, accident disability pension,

b) Category III disability pension, accident disability pension and reaching the old-age pension age threshold within a period of 5 years,

c) regular social benefits after reaching the old-age pension threshold or reaching this threshold within a period of 5 years,

d) temporary allowance

shall continue to provide the above as a disability allowance, providing that the rate of the allowance corresponds to the rate of the allowance due for December 2011, increased by the pension increase for January 2012, in cases specified under Paragraphs *a)* and *b)*. For the application of Paragraphs *b)* and *c)*, any individual that has turned 57 before 31 December 2011 shall qualify as an individual reaching the old-age pension age threshold within a period of 5 years.

(1a)

(2) The allowance of any individual receiving a disability allowance pursuant to Subsection (1) shall be cancelled if the given individual engages in income earning activity and the individual's average monthly income for three consecutive months exceeds 150% of the minimum wage. Income generated after July 2012 shall be taken into account in respect of the application of the present Section.

(3) The disability allowance granted in accordance with Subsection (1) shall be increased in compliance with rules governing pension increase defined in the Social Security Pension Benefits Act and according to the same rate.

(4) If the individual to whom Paragraphs *a*) and *b*) of Subsection (1) apply has turned 57 on 31 December 2011, the pension directorate shall, pursuant to the request of this individual, provide the same old-age pension as the rate of the disability allowance granted in accordance with Subsection (1) after the individual has reached the old-age pension age threshold.

Section 33 (1) From 1 January 2012, the body designated by the Government shall provide the allowance of individuals receiving Category III disability pension, accident disability pension or regular social benefit – to whom provisions governing Subsections (3) to (5), Section 31 and Paragraphs *b*) and *c*) of Subsection (1) of Section 32 do not apply – as a rehabilitation allowance, providing that the rate of this allowance corresponds to the rate of the allowance due in December 2011, increased by the rate of pension increase valid for January 2012 in the case of individuals receiving Category III disability pension or accident disability pension.

(1a)

(2) Provisions governing Subsections (2) to (3) of Section 6, Sections 7 to 9 and Paragraphs *b*) and *f*) of Subsection (2) of Section 10 do not have to be applied in respect of rehabilitation allowances defined under Subsection (1). The given individual shall be entitled to engage in income earning activity up to the cut-off date defined under Subsection (7) in compliance with provisions governing the Social Security Pension Benefits Act and Government Decree 387/2007 (XII.23) on Social Benefits for Persons with Health Impairments in effect on 31 December 2011.

(3) The pension directorate shall, up to 31 January 2012, notify the individual specified in Subsection (1) about

- a*) the provision of the allowance as a rehabilitation allowance;
- b*) how the individual is eligible for employment with the rehabilitation card;
- c*) the opportunity to request the complex rating procedure in a declaration submitted to the pension directorate up to 31 March 2012, if the individual is incapable of engaging in income earning activity without being put through rehabilitation;
- d*) the legal consequences of failing to make the declaration defined above under Paragraph *c*.

(4) If the individual referred to under Subsection (1) fails to request the complex rating procedure up to 31 March 2012, the rehabilitation allowance shall be cancelled from 1 May 2012. Certificates may be submitted if the individual fails to observe the deadline date of 31 March 2012.

(5) With the exception of procedures aimed at recuperation in progress on 31 March 2012, it shall not be possible to recuperate any allowance received in an authorised manner in the event of the cancellation of the rehabilitation allowance as specified under Subsection (4).

(6) The rehabilitation authority shall review the individuals requesting the complex rating procedure to determine allowances defined within the scope of the present Act. The criteria set out below shall determine the sequence of complex ratings in this particular order:

- a*) age,
- b*) income earning activity and
- c*) degree of impairment;

however, the date of review must not be later than the upcoming, scheduled review date.

(7) After completing the review and if the criteria are satisfied, the allowance defined in the present Act shall be granted on the first day of the third month following the decision made in this regard and, alternatively, the definite period of the provision of the allowance shall begin on this day in the case of eligibility for rehabilitation allowance. From among the eligibility criteria, the period insured beforehand does not have to be assessed.

(8) The increase of the disability allowance and the rehabilitation allowance in accordance with rules governing Subsection (1a) of Section 32 and Subsection (1a) in effect on 1

September 2012, as well as the decrease of the widow's/widower's pension in accordance with rules governing Section 102/F of the Social Security Pension Benefits Act in effect on 1 September 2012 cannot be executed and decisions made in this regard must be repealed.

(9) The body granting allowances for disabled persons shall, in the case of individuals eligible for both widow's/widower's pension and the disability or rehabilitation allowance, determine the combined monthly rate of the widow's/widower's pension decreased and the disability or rehabilitation allowance increased on the grounds of provisions governing Subsection (1a) of Section 32 and Subsection (1a) and Section 102/F of the Social Security Benefits Act in effect on 1 September 2012, as well as the difference of the combined monthly rate of the allowances due for August 2012. If this difference is positive, the disability allowance and the rehabilitation allowance shall be increased proportionately to the monthly rate of this difference from 1 September 2012. The body providing the allowance to disabled persons shall incorporate this increase in a decision up to 15 October 2012.

Section 33/A (1) If, pursuant to Subsection (1) of Section 32, the individual receiving the disability allowance, or, pursuant to Subsection (1) of Section 33, the individual receiving the rehabilitation allowance, is, following the review of the given individual

a) eligible for the disability allowance, the rate of this allowance shall be determined in accordance with specifications set out under Subsection (1) of Section 12, providing that – with the exception to improvement in the individual's state of health – its rate cannot be less than the rate of the allowance received in the month preceding the review;

b) eligible for rehabilitation allowance, the rate of this allowance shall be equivalent to

ba) 40% of the wage received within the framework of a public work scheme if the employability of the eligible individual can be restored,

bb) 80% of the wage received within the framework of a public work scheme if the eligible individual is in constant need of employment rehabilitation.

(2) For the application of Paragraph *a)* of Subsection (1), the following shall be taken as average income on 31 December 2011:

a) 250% of the rate of the allowance due in the month preceding the review in the case of individuals receiving regular social benefits;

b) 200% of the rate of the allowance due in the month preceding the review in the case of individuals receiving temporary allowances;

c) 165% of the rate of the allowance due in the month preceding the review in the case of individuals receiving Category III disability pensions or accident disability pensions;

d) 155% of the rate of the allowance due in the month preceding the review in the case of individuals receiving Category II disability pensions or accident disability pensions;

e) 145% of the rate of the allowance due in the month preceding the review in the case of individuals receiving Category I disability pensions or accident disability pensions.

(3) Allowances granted on the grounds of Subsection (1) shall be increased in accordance with and proportionately to rules regulating pension increase set out within the scope of the Social Security Benefits Act.

(4) If the review procedure concerning the individual receiving a disability allowance on the grounds of Subsection (1) of Section 32, or the individual receiving a rehabilitation allowance on the grounds of Subsection (1) of Section 33 was conducted after 1 January 2012, however, before the entry into force of legislation on the amendment of specific social regulations and related regulations, the rehabilitation authority shall decide on the modification of the rate of the allowance by applying Subsections (1) and (2) up to 31 October 2012.

Section 34 (1) Without conducting a review, the pension directorate shall continue to provide the rehabilitation allowance over the period defined in the official decision to individuals receiving rehabilitation allowances on 31 December 2011.

(2) Any individual receiving a rehabilitation allowance shall be obliged to cooperate with the rehabilitation authority.

(3) With the exception of provisions governing Subsection (2), provisions governing Act LXXXIV of 2007 on the Rehabilitation Allowance, the Social Security Pension Benefits Act, Government Decree 168/1997 (X.6.) on the Implementation of Act LXXXI of 1997 on Social Security Pension Benefits, as well as Government Decree 321/2007 (XII.5.) on Complex Rehabilitation in effect on 31 December 2011 shall be continued to be applied, providing that it is not possible to extend the scope of duration of the allowance, with the exception of cases requesting extension still in progress on 31 December 2011.

(4) In regard to the application of other legislation, the allowance granted to disabled persons shall also refer to a rehabilitation allowance.

Section 35 Any individual receiving the special allowance granted to miners on 31 December 2011 shall, from 1 January 2012, be eligible for the special allowance granted to miners on the grounds of Government Decree 32/1991 (II.9.) on Social Security Preferences Granted to Specific Miners.

Section 36 Any individual that is a member of an agricultural cooperative/production group receiving an increased allowance for incapacity for work, receiving an increased widow's/widower's allowance for incapacity for work or regular disability assistance granted by the Hungarian Public Foundation for Creative Art shall still be eligible to receive the allowance in the future.

Section 37 (1) Subsection (3) of Section 15 shall be applied in respect of official opinions issued following 1 January 2012.

(2) Section 25 shall be applied as of 1 January 2013. In regard to employment undertaken prior to 1 January 2013, provisions governing the Job Creation and Unemployment Benefits Act in effect on 30 December 2011 shall be applied in respect of the accreditation and control of employers employing persons with disabilities, as well as state subsidies that may be granted for the employment of disabled persons and recovering these.

Section 38 (1) For the application of Sections 23 to 24, any individual that qualified as a disabled person on 31 December 2011 on the grounds of Sections 42 and 42/B of Act IV of 1991 on Job Creation and Unemployment Benefits, or, based on the individual's employment, the individual's employer was granted a state subsidy in December 2011 for employing a disabled employee shall also be considered a disabled person

a) up to the first day of the third month following the final decision made on the grounds of the review in the case of individuals reviewed in compliance with Section 33;

b) no later than up to 31 December 2012 or up to the first day of the third month following the issuing of the official certificate referred to under Subsection (2) in the case of individuals to whom Paragraph *a)* does not apply.

(2) Upon the request of the individual, the rehabilitation authority shall conduct the complex rating procedure defined under Paragraph *b)* of Section (1) and issue an official certificate on the results of the rating procedure.

(3) For the application of Section 25, any individual that, based on the individual's employment, the individual's employer was granted a state subsidy in December 2012 for employing a disabled employee shall also be considered a disabled person

a) up to the entry into force of the final decision made on the grounds of the review in the case of individuals reviewed in compliance with Section 33;

b) no later than up to 31 December 2013 or up to date of issue of the official certificate referred to under Section 26/A in the case of individuals to whom Paragraph *a)* does not apply.

Section 39 (1) The present Act defines provisions necessary for implementing Regulation (EC) No 883/2004 of the European Council and of the Council of 29 April 2004 on the

coordination of social security systems and Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems.

(2) Regulations defined within the scope of the present act correspond to provisions regulating Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security.

(3) The present legislation serves compliance with Council Directive 2010/18/EU of 8 March 2010 implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC and repealing Directive 96/34/EC.

10. Amendment of Act IV of 1959 on the Civil Code

Section 40

11. Amendment of Act XCIII of 1990 on Duties

Section 41

12. Amendment of Act C of 1990 on Local Taxes

Section 42

13. Amendment of Act IV of 1991 on Job Creation and Unemployment Benefits

Sections 43–54

14. Amendment of Act XXII of 1992 on the Labour Code

Sections 55–65

15. Amendment of Act XXIII of 1992 on the Legal Status of Civil Servants

Section 66

16. Amendment of Act XXXIII of 1992 on the Legal Status of Public Servants

Sections 67–69

17. Amendment of Act LXXVIII of 1993 on the Rules Applicable to the Tenement and Alienation of Housing Units and other Premises

Sections 70–71

18. Amendment of Act XCVI of 1993 on Voluntary Mutual Insurance Funds

Section 72

19. Amendment of Act XLV of 1994 on War Veterans

Section 73

20. Amendment of Act LIII of 1994 on Judicial Execution

Section 74

21. Amendment of Act LXIV of 1994 on the Election of Mayors and the Fees of Local Municipal Government Representatives

Section 75

22. Amendment of Act CXVII of 1995 on Personal Income Tax

Section 76

23. Amendment of Act XX of 1996 on the Use of Identification Codes and Modes of Identification Replacing the Personal ID Number

Section 77

24. Amendment of Act XLIII of 1996 on Conditions of Service for Members of the Regular Armed Forces

Sections 78–82

25. Amendment of Act XLV of 1996 on the Legal Status of Directors, Lecturers and Students of Military and Law Enforcement Higher Educational Institutions

Section 83

26. Amendment of Act LXXV of 1996 on Labour Inspection

Sections 84–89

Section 90 (1)

(2)

27. Amendment of Act XLVII of 1997 on Processing and Protecting Health and Connected Personal Data

Section 91

28. Amendment of Act LXVIII of 1997 on Employment Status of Judicial Employees

Section 92

29. Amendment of Act LXXX of 1997 on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services

Section 93

30. Amendment of Act LXXXI of 1997 on Social Security Pension Benefits

Sections 94–103

31. Amendment of Act LXXXII of 1997 on Private Pensions and Private Pension Funds

Section 104

32. Amendment of Act LXXXIII of 1997 on Compulsory Health Insurance

Section 105

33. Amendment of Act CLIV of 1997 on Healthcare

Section 106

34. Amendment of Act XCV of 2001 on the Status of Professional and Contracted Military Personnel of the Hungarian Defence Forces

Sections 107–111

35. Amendment of Act XCII of 2003 on the Rules of Taxation

Section 112

36. Amendment of Act CVI of 2004 on Allowances Granted to Individuals Receiving the Outstanding Artist Award, the Excellent Artist Award and the Master of Folklore Title

Section 113

37. Amendment of Act CXV of 2004 on Housing Cooperatives

Section 114

38. Amendment of Act CXXIII of 2004 on Facilitating the Employment of Those Seeking Employment after Nursing a Child or Taking Care of a Family Member, and on Fellowship Employment

Sections 115–117

39. Amendment of Act CLXXXIII on Railway Transport

Section 118

40. Amendment of Act LVIII of 2004 on the Legal Status Government Officials

Section 119

41. Other provisions regarding the transformation of the allowances of persons with disabilities

Section 120 (1)

(2)–(5)

42. Amendment of Act III of 1993 on Social Governance and Social

Sections 121–142

43. Amendment of Act XXXI of 1993 on the Protection of Children and Guardianship

Sections 143–159

44. Amendment of Act LXXXIV of 1998 on Family Assistance

Sections 160–168

45. Amendment of Act LXVI of 1992 on the Protection of Personal Data and the Disclosure of Information of Public Interest

Section 169

46. Amendment of Act XCIII of 1993 on Work Safety

Sections 170–186

47. Amendment of Act LXIX of 1999 on Petty Offences

Section 187

48. Amendment of Act CI of 2001 on Adult Training

Section 188

49. Amendment of Act LXXV of 2010 on Simplified Employment

Section 189

50. Amendment of Act C of 2011 on the Right to Freedom of Conscience and Religion, and on the Legal Status of Churches, Religious Denominations and Religious Communities

Section 190

51. Amendment of Act CVI of 2011 on Informational Self-determination and Freedom of Information

Section 191

Section 192

52. Amendment of Act LXXIV of 2009 on Dialogue Committees at Sectoral-level and Certain Issues of Intermediate Level Social Dialogue

Sections 194–197

53. Amendment of Act CLVI of 2011 on the Amendment of Certain Acts on Taxation and Other Related Acts entering into force with an alternative text

Section 198 (1)–(2)

(3)

54. Amendment of Act CXXVII of 2003 on Excise Taxes and Special Regulations on the Distribution of Excise Goods

Section 199 (1)

(2)

Section 200

55. Provisions on Non-entry into Force

Section 201

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