

Submission of the Hungarian Government regarding its activities in support of the preparations for the thirtieth anniversary of the International Year of the Family

(a) Family-oriented efforts in support of managing the use of new technologies, including harnessing new technologies to improve work-family balance and promote parenting education

In the spirit of using new and available technologies for the benefit of the citizens, various countrywide programs were introduced in the past years.

1. Digital Success Programme and Digital Success Programme 2.0

The so-called Digital Success Programme, launched by the Government of Hungary in late 2015, aims to achieve that every Hungarian citizen and business can benefit from digitalisation. The Programme is based on the results of InternetKon, a national consultation about the Internet and digital developments, and it affects the entire digital ecosystem. The broader programme includes the Digital Education Strategy, the Digital Export Development Strategy, the Digital Startup Strategy and the Digital Child Protection Strategy of Hungary.

In addition to infrastructure development, the digitalisation of education and making the Internet accessible and affordable for everyone, the Digital Success Programme 2.0 also contributes to Hungary's preparation for the digital transformation in new areas in the coming years.

2. Digital Child Protection Strategy

In 2015, the Hungarian government created the Digital Child Protection Strategy in order to ensure that children are protected from dangerous and harmful online content and methods, and to prepare children, parents and teachers for a conscious and productive use of the Internet.

(b) Family-oriented policies and programmes that promote inclusive urbanization, access to affordable housing, intergenerational living arrangements and other measures

It is one of the main priorities of the Hungarian Government to enable as many Hungarian families to become home owners as possible. To this end, the Government introduced a comprehensive home creation programme between 2015 and 2021.

1. Family Housing Subsidy (CSOK)

Since 2015, the Family Housing Subsidy (Hungarian abbreviation: 'CSOK') is a non-refundable state subsidy for families raising at least one child or who undertake to raise at least one child when buying a new or pre-owned house or flat or enlarging their existing home.

2. Family Housing Loan (CSOK-loan)

Since 2016, families buying a new or pre-owned house or apartment with CSOK may also apply for a residential state loan of maximum 3% interest. Families with two children may apply for a loan of EUR 30 000 (HUF 10 million) and those raising three or more children may apply for a loan of EUR 45 000 (HUF 15 million).

3. Diminution of mortgage loans

Families who undertake to raise a second child are entitled to decrease their mortgage debt by EUR 3 000 (HUF 1 million) and by EUR 11 600 (HUF 4 million) if they undertake to raise a third child. For each additional child born (fourth, fifth child etc.), families can reduce their mortgage loans by an additional EUR 3 000.

Since 2021, the Hungarian state covers half of the expenses of home renovation and modernization of families with children. The Government has (re)introduced certain VAT-refunds or VAT-exemption after newly built homes, and owner-builders and an exemption from the real estate transfer tax. The Government also promotes the multigenerational use and the energy efficiency of newly built homes.

(c) Strategies and programmes promoting orderly migration, including family reunification policies

Migration statistics in recent years show that while emigration from the country has decreased, the number of Hungarian families returning from abroad has increased. A generous family policy and a home creation programme adapted to Hungarian realities clearly contribute to these positive tendencies. In the design of family policy support, a special emphasis has been placed on the possibility of taking into account the period of work abroad when determining eligibility.

(d) Family-oriented policies in response to current demographic trends including ageing, such as support for all generations in the family, including older persons

The Hungarian Government believes that a precondition of the medium and long-term social development and the sustainability of Hungary's economy and demography is a lasting turn in negative demographic trends. This objective can be achieved with a stable, complex, targeted and flexible family policy that is capable of adapting to changing needs and conditions. Parents and parents-to-be need to have long-term stability and reliable financial situation. In this respect, employment and the easy reconciliation of work and family life are of key importance. For this reason, the Government supports parents in harmonising their career and raising their children.

The goal of the Government is to enable people to have as many children as they wish to raise. The Government's support for starting a family and childbearing has achieved tangible and concrete results in the recent years, a positive and lasting turnaround in the demographic trends.

1. Some highlights of the demographic achievements from the last 10 years

Since 2010, Hungary has seen the highest increase in fertility rates in Europe (+29%), reaching the EU average, which in turn has fallen compared to 2010. By 2021, the fertility rate has reached a 25-year high (1.59). Over the past 10 years, the number of women aged 20-39 has fallen by 20% to 283 000, which is why the higher number of births (+2.21%) compared to 2010 is a great success, thanks to a higher fertility.

Since 2010, Hungary had the highest increase in the number of marriages in the European Union. The last year with more marriages was as long ago as 1986. Between 2010 and 2021, the number of marriages doubled (it soared by 103%). More children are being born in marriages and more people are choosing to have large families. Divorce rates are at a six-decade low. There are fewer divorces where there are children in the family.

The number of abortions has fallen by nearly half, from 40 000 to 22 000 (-45,6%).

Family benefits, which, in general, have the precondition of the parents working, is in line with the increase in the fertility rate. In 2021, the Government spent more than two and a half times more on supporting families than in 2010, and nearly more than three and a half times much in 2022 (nearly 6% of the GDP). The share of work-related family allowances and benefits has increased from 24% to 72% until 2022.

2. Main subsidies for promoting the birth of children

2.1. Family tax benefit

Before 2011, only families with three or more children were entitled to a monthly EUR 13/child benefit. Since then, a family tax benefit system has undergone multiple major reforms. Before the calculation of the tax advance payment, the amount of the benefit is deducted from the person's combined tax base. Family tax allowance can be shared between parents. The amount of the personal income tax can be reduced with EUR 30 (HUF 10 000) per month for one child, EUR 60 (HUF 20 000) per month per child for two children and with EUR 99 (HUF 33 000) per month per child in case of 3 or more children. From 2014, the family tax benefit may be deducted also from the pension and health care contributions besides personal income tax.

2.2. Tax allowance for first-wed new couples

The tax allowance for first-wed new couples, as a tool to decrease the tax base, was introduced in 2015. This measure is intended to encourage young couples to marry: a newly-wed couple is eligible for a tax allowance of EUR 15 (HUF 5 000) per month for two years after the wedding, provided that it is the first marriage of at least one of them.

2.3. Nursery System

One of the cornerstones of Hungary's family policy is the reconciliation of work and family life, and the aim of the government is build a work-, and family-based society. To reach this goal, it is a crucial step to strengthen the nursery system, so that the daycare system for children under the age of 3 could become more effective.

2.4. Baby expecting subsidy

Every married couple where the wife is between 18 and 41 years old is eligible for an interest-free, general purpose loan of EUR 30 000 (HUF 10 million), which can be requested at commercial banks. The amount of the monthly instalment of the loan may not exceed EUR 150 (HUF 50 thousand), and it is to be repaid within 20 years.

If at least one child is born or adopted during the first five years, the scheme remains interest-free and repayment is suspended for three years. After the birth or adoption of the second child, the repayment is suspended for another 3 years, and 30% of the outstanding principal is written off. Following the birth/adoption of the third child, the remaining debt is entirely cancelled. The loan is guaranteed by the state.

2.5. In vitro fertility program

The program for infertile couples was expanded in 2018, so that if one of the first five treatments is successful, the State will support the intervention four more times for the next child. From

February 1, 2020, medicines used in infertility treatment and full infertility tests are free of charge. Both the test kits and the medications used in the treatment are available with 100 percent support.

3. Subsidies for the older generation

3.1. Women 40

From 1st January 2011, a preferential old-age pension scheme was introduced for women with an at least of 40-year entitlement period with a full-amount entitlement, regardless of their age. The aim of this measure is to acknowledge the multiple burden on women (family and labour market) and to give an opportunity for grandmothers to provide active help to their children - young mothers re-entering the labour market – by looking after their grandchildren.

3.2. 13th-month pension

Starting from 2021, 13th-month's pension payments have been reintroduced. In February 2021, pensioners received an extra week's pension in addition to the normal amount for January. By February 2022, pensioners have received the total monthly payment.

3.3. Childcare benefits for grandparents

Non-retired grandparents are also eligible for the child care benefits if both parents are (or the single parent is) employed, and the grandparent is taking on childcare duties. The purpose of the programme is to encourage grandparents to become more involved in the raising of grandchildren. Only one of the grandparents is allowed to apply, but the benefit can be requested after more grandchildren as well.

3.4. The Senior Council

The **Senior Council** is as an advisory body of the Government to represent the interests and proposals of elderly people in the elaboration of government decisions. The members of the Senior Council transfer their knowledge and experience regarding issues affecting older persons and all other generations of society. Its 12 members, appointed by the Prime Minister, are experts in academia, demography, social policy, local authorities, religious communities and leaders of non-governmental organizations in the field of ageing.

3.5. Senior-Friendly Municipality Award

The **Senior-Friendly Municipality Award** was established based on the initiative of the members of the Senior Council, submitted in 2004 to the ministers in charge of the social field and local authorities. The Senior-Friendly Municipality Award was established in 2004 by the Minister of Health, Social and Family Affairs and Minister of Interior upon a Joint Decree.

By handing out the Award, the Ministers recognise the work and activity of local authorities undertaking an outstanding role in caring for older persons, making their lives easier, and filling their years spent in retirement with meaning. The aim of the initiative was to draw attention to the fact that local authorities can do the most at local level – by ensuring flow of information and by initiating dialogues – for the implementation of the policy on older persons, for the recognition of the results by making them known, and for the development of communities. Every year, the call for applications focuses on a different topic regarded important in the given year. In recent years, the focus was on health preservation programs, emphasizing the role of

elderly within the family, supporting community-based intellectual activity, cultural programs, volunteering, as well as providing care for the mental and physical health of older people during the COVID-19 pandemic.

3.6. Village and homestead caretaker service

This services aims to alleviate the disadvantages of small villages and rural areas across the country. Currently a settlement of 70 to 400 inhabitants can provide a (not obligatory) homestead caretaker service, and a village under 1000 inhabitants can maintain village caretaker services. The caretaker visits people living in these areas regularly to provide help to individuals with official matters, disseminate useful information, promote social events and participate in providing social services. The service is co-funded by municipalities and the national government.

(e) Measures promoting sustainable management of climate change benefiting families

As mentioned above, the Government launched its largest-ever home creation program in 2021 to facilitate access to home ownership and **improve housing conditions** for families with children.

1. Home renovation support

Since January 2021, the State covers half of the expenses, up to EUR 8 500, of home renovation and modernization for families with children. A renovation with an overall cost of EUR 17 000 may only cost EUR 8 500, as half of the construction and half of the material costs are refunded. Eligible construction activities are, among others, insulation, solar collector, solar system installation, replacement, upgrade or replacement of heating systems, including the use of renewable energy sources.

2. Green Family Housing Loan (Green CSOK-loan)

The National Bank of Hungary (MNB) launched its Green Home Program in October 2021. Under the program, families purchasing or building a new energy-efficient property using the Family Housing Subsidy (CSOK) and raising 2 children or more are entitled to apply for the CSOK-loan free of interest in case the property has an energy rating of at least BB (max. 90 – later 80 – kWh/m²).

3. Village Family Housing Subsidy (Village CSOK)

Within the framework of the Hungarian Village Program, Village CSOK is available from July 1, 2019 until the end of 2022 in more than 2679 disadvantaged settlements with a population up to 5000. This subsidy is available for families buying and renovating/enlarging pre-owned properties, or those renovating/enlarging their existing real estate.

Families having one child or those who undertake to raise one child are entitled to a non-refundable allowance of EUR 1 740 (HUF 600 000). This sum is EUR 7 500 (HUF 2,6 million) in case of two children and EUR 30 000 (HUF 10 million) for three or more children. Maximum 50% of the allowance can be spent on purchase, while the remaining part can be used for modernization and renovation. Half of the above amounts can be spent on upgrading an existing home.