


Financing adult learning database

Name of the instrument - Local language	Nemzeti Foglalkoztatási Alap Képzési Alaprész - Szakképzési hozzájárulás - Saját dolgozók képzése
Name of the instrument - English translation	Training sub-fund of the National Employment Fund - Vocational Training Contribution - Training of Employees
Scheme ID	100
Country	 Hungary
Reporting year	2020
Type of instrument	Grant for companies
Sub-type of instrument	Support for direct costs and wage costs
Type of entry	Single instrument

Short description	The vocational training contribution is a kind of training levy enterprises are required to pay. The base of vocational training contribution is the base of social contribution tax. The rate is 1.5 percent. Under the 2011 act on the vocational training contribution it can be paid in several ways: (a) by providing apprenticeship training to apprentices in upper-secondary VET and certain higher education programmes (b) by providing or financially supporting employees' training (up to 16.5% of the training levy), under certain conditions (c) by paying it into the National Employment Fund training sub-fund. Accordingly, to the 2011 act on the vocational training contribution, companies can allocate a part of their training levy to co-finance their employees' vocational and foreign language training. However, this option is only available for companies that also provide practical training to at least 30 apprentices (VET school learners), and only up to at most 16.5% of the amount of their training levy. Due to these strict criteria, only a few large companies make use of this measure.
Short description of the related instruments	Not applicable

Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for	Not applicable

regional instruments)	
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Act CLV of 2011 on the vocational training contribution and the support for the development of training; Decree 21/2013 (June 18) issued by the Ministry of National Economy on deducting employers' costs of training their own employees from the vocational training contribution; Government decree 280/2011 (20 December) on funding rates for apprenticeships and other discounts that can be used to calculate the rate of the vocational training contribution
Objective(s) and target(s)	The aim of the vocational training contribution is to involve enterprises in vocational training besides state stakeholders. The main objective was, by taking the opportunities offered by the economic situation into consideration, to increase the willingness of entrepreneurs to train and to support enterprises which take on practical (apprenticeship) training, and to encourage others not participating in practical (apprenticeship) training to either take up this activity or to contribute to the costs of training. It also aimed to support companies that train their own employees.
Year of implementation	1997
Year of latest amendment	2020
Year of termination	2020
Operation/management	The vocational training contribution is a kind of training levy enterprises are required to pay. The base of vocational training contribution is the base of social contribution tax. The rate is 1.5 percent. Under the 2011 act on the vocational training contribution it can be paid in several ways: (a) by providing apprenticeship training to apprentices in upper-secondary VET and certain higher education programmes) (b) by providing or financially supporting employees' training (up to 16.5% of the training levy), under certain conditions (c) by paying it into the National Employment Fund training sub-fund. Accordingly to the 2011 act on the vocational training contribution, companies can allocate a part of their training levy to co-finance their employees' vocational and foreign language training. However, this option is only available for companies that also provide practical (apprenticeship) training to at least 30 apprentices (VET school learners), and only up to at most 16.5% of the amount of their training levy. Due to these strict criteria, only a few large companies make use of this measure.
Eligible group(s)	Companies that provide practical (apprenticeship) training to at least 30 apprentices (VET school learners).
Group(s) with	Companies providing training for employees with

preferential treatment	disabilities or vulnerabilities. Medium-sized enterprises Micro or small enterprises A maximum of 50% of the eligible costs can be covered by the vocational training contribution. The maximum amount may be increased to 70% of the eligible costs as follows: a) 10 % in the case of training provided to employees with disabilities or vulnerabilities (b) 10% for medium-sized enterprises and 20 % for micro or small enterprises.
Education and training eligible	Internal or external training, at least 20 hours vocational, general, and foreign language training and training for obtaining a driving license for trucks and buses.
Source of financing and collection mechanism	National Employment Fund training sub-fund. The training sub-fund of the National Employment Fund is constituted of the vocational training contribution paid by enterprises. The vocational training contribution is a kind of training levy enterprises are required to pay. The base of vocational training contribution is the base of social contribution tax. The rate is 1.5 percent.
Financing formula and allocation mechanisms	Under the 2011 act on the vocational training contribution it can be paid in several ways: (a) by providing apprenticeship training to apprentices in upper-secondary VET and certain higher education programmes) (b) by providing or financially supporting employees' training (up to 16.5% of the training levy), under certain conditions (c) by paying it into the National Employment Fund training sub-fund.
Eligible costs	Eligible costs (pursuant to 21/2013 decree, in case of training support provided for companies paying the training levy): - wage costs of instructors and briefing and guidance costs related to the training project; - travel and accommodation costs of instructors and training participants; - other running costs such as materials and supplies directly related to the training; - depreciation of tools and equipment; - wage costs of training participants and eligible general indirect costs (administration, rents, overheads) - costs of exams
Volumes of funding	Not available
Beneficiaries/take up	2017: 6 573 persons 2018: 6 969 persons 2019: 5 878 persons
Organisation responsible for monitoring/evaluation	Ministry for Innovation and Technology, National Office for Vocational and Adult Training, State Audit Office of Hungary, National Tax and Customs Administration.
Most relevant webpage - in English	VET in Europe: https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/hungary
Most relevant webpage - local language	https://nav.gov.hu/search/searchresults?query=%22szakk%C3%A9pz%C3%A9si+... www.mkik.hu www.ngm.gov.hu
Recent changes	01-01-2020. The new Vocational Training Act (Act LXXX of 2019 on vocational education and training), introduced on 1 January 2020, abolished its use for training its own employees. Support for apprenticeship training for adults as well. From January 2021, the vocational training

	<p>contribution obligation can be reduced only by the cost of apprenticeship training. Adults over the age of 25 can also participate in apprenticeship training.</p> <p>Recent changes in response to COVID-19</p> <p>The Economy Protection Action Plan was issued by the Government in March 2020 to mitigate the negative effects of COVID-19. The budget provides funding for programs, developments, investments, as well as measures related to the promotion of employment through the Economic Protection Fund. An important part of the Economic Protection Fund is the Economic Protection Employment Fund established from the National Employment Fund. (Government Decree 92/2020, 7 April 2020).</p>
<p>Sources</p>	<p>National Statistical Data Provision Programme for adult education https://statisztika.mer.gov.hu/</p> <p>National Statistical Data Provision Programme for adult education https://statisztika.mer.gov.hu/</p> <p>Cedefop-Refernet (2019): Vocational education and training in Europe: Hungary. Cedefop ReferNet VET in Europe reports 2018. https://cumulus.cedefop.europa.eu/files/vetelib/2019/Vocational_Educati...</p> <p>National Tax and Customs Administration: Information booklet on the vocational training contribution https://nav.gov.hu/search/searchresults?query=%22szak%C3%A9pz%C3%A9si+...</p> <p>National Labour Office (2013): Vocational education and training in Hungary. ps://www.nive.hu/Downloads/szakkepzesi_szolgaltatas/Folyoiratok/DL.php?f=Sza...</p>