

Financing adult learning database

Name of the instrument - Local language	Visszafizetési kötelem
Name of the instrument - English translation	Payback clause
Scheme ID	108
Country	 Hungary
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible within set limits
Type of entry	Single instrument
Short description	<p>The payback clause is closely linked to the learning contract (training leave), in which employers and employees can agree on a payback clause. In general, payback clauses can be applied for any kind of training that has been undertaken voluntarily by the employee and is not mandatory as a part of the work activity. In a learning contract, the employee agrees to complete the studies and to refrain from terminating his employment by way of notice following graduation for a period of time commensurate for the amount of support, not exceeding five years. The learning contract may be terminated by either of the parties with immediate effect in the event of subsequent major changes in the party's circumstances whereby carrying out the commitment is no longer possible or it would result in unreasonable hardship. In the event of termination by the employee, the employer may demand repayment of the support provided. The employer's right to demand repayment of the support shall apply in proportion to the length of time that has elapsed from the term of the contract. Where employment is terminated by the employer, repayment of the support may not be demanded. A payback clause is not valid in case the employee attends primary school to complete his basic school (Grade 8) education during the training leave.</p>
Level of operation	National
Name of a part of the country	Not applicable

Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Act I of 2012 on the Labour Code
Objective(s) and target(s)	The employer shall have the right to withdraw from the learning contract and may demand repayment of the support provided if the employee breaches the learning contract. Breach of the contract shall also cover where the employment relationship is terminated for reasons in connection with the employee's conduct in connection to the employment relationship. The obligation of repayment shall apply in proportion to the length of time that has elapsed from the term of the contract. The learning contract may be terminated by either of the parties with immediate effect in the event of subsequent major changes in the party's circumstances whereby carrying out the commitment is no longer possible or it would result in unreasonable hardship. In the event of termination by the employee, the employer may demand repayment of the support provided. The employer's right to demand repayment of the support shall apply in proportion to the length of time that has elapsed from the term of the contract. Where employment is terminated by the employer, repayment of the support may not be demanded. Act I of 2012 on the Labor Code Section 229
Year of implementation	1992
Year of latest amendment	2012
Operation/management	Employers and employees can agree on a payback clause in connection with a learning contract. In a learning contract, the employee agrees to complete the studies and to refrain from terminating his employment by way of notice following graduation for a period of time commensurate for the amount of support, not exceeding five years. The learning contract may be terminated by either of the parties with immediate effect in the event of subsequent major changes in the party's circumstances whereby carrying out the commitment is no longer possible or it would result in unreasonable hardship. In the event of termination by the employee, the employer may demand repayment of the support provided. The employer's right to demand repayment of the support shall apply in proportion to the length of time that has elapsed from the term of the contract. Where employment is terminated by the employer, repayment of the support may not be demanded.
Eligible group(s)	All employers and all employees with a learning contract
Group(s) with preferential treatment	Employees who attend primary school. According to the Labour Code of 2012 employers must provide training leave for their employees only if they attend primary

	school to complete their basic school education (Grade 8). In this case, there is no playback clause.
Education and training eligible	Not applicable
Source of financing and collection mechanism	Employer funds training, the employee provides (partial) repayment eligible training costs in case of premature departure of the company.
Financing formula and allocation mechanisms	In the learning contract agreed on for the training leave, the employer agrees to support the employee financially during the study period while the employee agrees to work for the employer for a fixed period of time after graduation. This period may not be longer than 5 years. The employer is entitled to claim a refund of the expenses incurred for the studies if the employee does not complete the studies, does not begin to work after graduation or interrupts the employment before the end of the agreed binding period. In the last case, the amount to be reimbursed is calculated according to the remaining period of validity of the clause. Reasons for playback clause to become effective: voluntary resignation within the binding period; dismissal due to a serious contract break; on-termination of the training.
Eligible costs	Tuition fees/fees for participation (external providers) and other costs related to education and training (such as costs of training materials, travel, accommodation, etc.) based on the agreement between employer and employee in the learning contract.
Volumes of funding	Not applicable
Beneficiaries/take up	Not applicable
Organisation responsible for monitoring/evaluation	Not applicable
Most relevant webpage - in English	https://www.cedefop.europa.eu/en/publications-and-resources/tools/finan...
Most relevant webpage - local language	Not available
Recent changes	There have been no significant changes to the playback clause in recent years. The most important change was in 2012 when the new regulations (Act I of 2012 on the Labor Code) came into force regarding the Labor Code. Creating a more flexible regulation. Recent changes in response to COVID-19 No changes
Sources	Act I of 2012 on the Labour Code https://net.jogtar.hu/jogsabaly?docid=a1200001.tv https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/89886/103370/F373393512/... Cedefop: Financing Adult Learning Database. Hungary

<https://www.cedefop.europa.eu/en/publications-and-resources/tools/finan...>

Cedefop (2012): Payback clauses in Europe: supporting company investment in training
https://www.cedefop.europa.eu/files/5523_en.pdf

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...

Alex Ember (2015): The learning contract.
https://www.mjsz.uni-miskolc.hu/files/egyeb/mjsz/201502/7_emberalex.pdf