

Financing adult learning database

Name of the instrument - Local language	Nemzeti Foglalkoztatási Alap Képzési Alaprész - Szakképzési hozzájárulás
Name of the instrument - English translation	Training sub-fund of the National Employment Fund - Vocational Training Contribution
Scheme ID	100
Country	 Hungary
Reporting year	2015
Type of instrument	Training fund
Type of entry	Single instrument

Short description	Employers are obliged by law to contribute a fixed share of payroll (1.5%) to a training fund. The contribution obligation may be met in three ways: (1) by payment to the development and training sub-fund of the National Employment Fund; (2) by organising practical training for students in vocational training schools or in tertiary education; (3) by providing training for own employees. EU-funds support the training sub-fund of the National Employment Fund.
Short description of the related instruments	nap

Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
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)	To strike the right balance in resource sharing between the economic players and the State; establish the business sector's contribution to vocational training.
Year of implementation	2007
Year of latest amendment	2012
Operation/management	<p>The vocational training contribution at 1.5% of the social contribution tax defined by the tax legislation is compulsory for companies registered domestically or abroad that are active in Hungary. From 2013, no contribution is payable on the employment of certain groups, e.g. career-starters, beneficiaries of child-care support, former unemployed and new employees of enterprises active in a free enterprise zone in the first two years of their employment. The contribution obligation may be met in three ways:</p> <p>(1) by payment to the development and training subfund of the National Employment Fund. The fund can support only objectives related to VET and adult training. It can provide support for training providers not obliged to pay the vocational training contribution (e.g. central budgetary institutions in the social/health sector, farmers, etc.) as well as for providing practical training based on a 'training contract'.</p> <p>(2) by organizing practical training for students in vocational training schools or in tertiary education;</p> <p>(3) by organizing training for own employees.</p> <p>The cost accounting of student-contract-based training has been simplified by the regulation that let the entrepreneurs meeting their vocational training contribution payment obligation by organising practical training reduce the contribution amount, as of 2015, by the product of the base normative amount of HUF 454 000/cap/annum (approx. EUR 1 500).</p> <p>Those companies which provide contractual practical training for at least 45 VET students per month can reduce their obligation by up to 16.5% of the gross amount of the contribution by providing training for their own employees.</p> <p>A contribution payer that does not or does not fully meet its vocational training contribution payment obligation by supporting training shall pay the contribution to the relevant account kept by the tax administration.</p>
Eligible group(s)	All companies registered domestically or abroad that are active in Hungary.
Group(s) with preferential treatment	<ul style="list-style-type: none"> - Micro, small and medium size enterprises - Medium and large size enterprises providing contractual practical training for at least 45 students per month - Companies providing training for people with disabilities or disadvantaged persons.
Education and training eligible	Internal and external training, at least 20 hours general training and specific training for own employees, practice intensive training programmes in higher education.
Source of financing and	Levy on companies, 1.5% of payroll

collection mechanism	
Financing formula and allocation mechanisms	<p>Companies which provide contractual practical training for at least 45 students per month may deduct the costs of training their own employees from their vocational training contribution up to 16.5% (Decree 21/2013 (18 June) issued by the Minister of National Economy). In case of general training, 60% of the eligible costs may be deducted and in the case of specific training: 25%. Additional 10% of eligible costs may be deducted if employees with disabilities or vulnerabilities also participate in training courses.</p> <p>For medium-sized enterprises, the eligible costs that can be deducted may be increased by 10%, for micro and small enterprises, the eligible costs may be increased by 20%.</p> <p>Eligible costs (pursuant to 21/2013 decree, in case of training support provided for companies paying the training levy and investors):</p> <ul style="list-style-type: none"> - 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 in line with the provisions of EC No. 800/2008.
Eligible costs	Fees and other costs related to training
Frequency of the use	Each year
Volumes of funding	In 2014, HUF 902 000 000 was spent on the training; in 2013: HUF 656 000 000; in 2012: HUF 2 244 000.
Beneficiaries/take up	<p>In 2014, 8 860 employees were trained. 5 316 men, 3 544 women. 392 aged 15-19 years, 1 730 aged 20-24, 1 207 aged 25-34, 26 aged 35-54, 13 aged 55-64.</p> <p>In 2013, 7 244 employees were trained. 5 538 men, 1 706 women. 162 aged 15-19, 1 660 aged 20-24, 7 849 aged 25-34, 8 908 aged 35-54, 869 aged 55-64.</p> <p>In 2012, 19 448 employees were trained. 11 070 men, 8 378 women. 162 aged 15-19, 1 660 aged 20-24, 7 849 aged 25-34, 8 908 aged 35-54, 869 aged 55-64. 1 662 were trained at ISCED97 2 to 3 levels; 4 517: ISCED97 4, 2 049: post-secondary non-tertiary education ISCED97 4; 59: ISCED97 5b, 13 to ISCED97 5a and 6.</p>
Organisation responsible for monitoring/evaluation	Ministry for National Economy, National Office for Vocational and Adult Training, State Audit Office of Hungary.
Monitoring/evaluation reports available	http://www.asz.hu/report-summary/2012/summary-of-the-audit-on-the-exped...
Most relevant webpage - in English	https://www.nive.hu/index.php?option=com_content&view=article&id=465 , http://www.observatory.org.hu/wp-content/uploads/2013/04/HU_2012_CR_EN_FINAL... ,

	http://www.cedefop.europa.eu/files/4103_EN.pdf
Most relevant webpage - local language	https://www.nive.hu/ www.mkik.hu www.ngm.gov.hu
Sources	National Labour Office (2013): Vocational education and training in Hungary. ps://www.nive.hu/Downloads/szakkepzesi_szolgaltatas/Folyoiratok/DL.php?f=Sza...
	National Statistical Data Provision Programme https://osap.nive.hu/
	Webpage of National Employment Service http://en.munka.hu/ and data received directly from the National Office for Vocational Training and Adult Education
	Cedefop: Financing adult learning. http://www.cedefop.europa.eu/FinancingAdultLearning/DisplayInstrumentNa...
	Cedefop: Financing adult learning. http://www.cedefop.europa.eu/FinancingAdultLearning/DisplayInstrumentNa...