

# Track Changes

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January 2019

## AMENDMENT OF THE HUNGARIAN LABOUR CODE

Triggering intense emotions and protests, the bill related to the amendment of the Hungarian Labour Code has been accepted by the Parliament on 12 December 2018 and entered into effect after the signing by the President of the Republic as of 1 January 2019 ("Amendment").

In the following we summarize the most furiously and frequently contested parts of the Amendment.

### INTRODUCTION OF THE "VOLUNTARILY UNDERTAKEN EXTRAORDINARY WORK"

According to the previous regulation the upper limit of extraordinary working time (in case of full time employees) was 250 hours a year. In case of a collective bargaining agreement ("CBA") this could be increased up to 300 hours. Based on the Amendment, the mandatory upper limit (i.e. 250 hours) can be increased up to 400 hours per calendar year as follows:

- if – in the absence of CBA - agreed by the parties (i.e. plus a maximum of 150 hours per year); or
- in case if there is a CBA (i.e. if the mandatory limit has already been increased to some extent, i.e. between 1-50 hours/ year) the employer and the employee can further extend this CBA defined limit with an amount of up to 100 hours.

The part agreed by the employer and the employee is the so-called "voluntarily undertaken extraordinary work". Such an agreement can be terminated by the employee, effective as of the end of the calendar year, which means that the employee - after the conclusion of such an agreement - decides if the employer can schedule such voluntarily undertaken extraordinary work for the following year(s).

The Amendment also affects the maximal extent of the working-time banking period ("WTBP").

Under the Amendment, a CBA can allow the employer to order a 36-months-period instead of the currently applicable maximal 12 months. The extension of the upper limit affects the "available" working time which can be scheduled for that 36-months-period (pool) and the date of payment for the extraordinary work exceeding that pool. The latter refers to the disadvantage on the employees' side, i.e. that the compensation

(without interest) for the extraordinary working time exceeding the pool shall be paid only after expiry of the WTBP (i.e. scheduled even for 3 years in case of a CBA). However, even if the upper limit of the WTBP has been extended by a CBA, there is another rule limiting the employer's quite broad opportunities to schedule the working time.

In case of WTBP, the maximum amount of scheduled weekly working time shall be considered on an average, projected for the given WTBP. However, in case of WTBP longer than 1 year (up to 36 months as noted above), the reference period of calculation is capped at 12 months (even if the upper limit of the given WTBP has been increased up to 36 months), as the maximum scheduled weekly working time should not exceed 48 hours on the average during the WTBP.

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