



## EMPLOYEE FRINGE BENEFITS POLICY OF OBUDA UNIVERSITY

BUDAPEST, 2021.

(in force since 1 January 2022)

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## **Preamble**

The Senate of Obuda University (hereinafter referred to as the "University"), in accordance with the provisions of the University's Statute, Act CXVII of 1995 on Personal Income Tax, and the provisions of the relevant Government Decree and other legislations, hereby establishes the following regulations.

## **PART ONE**

### **General provisions**

#### **Scope and interpretation of the Policy**

##### **1. §**

(1) The scope of this policy shall apply to each and every employee and organisational unit of the University.

(2) This policy does not apply to employees with different employment arrangements

(3) The scope of the policy extends to fringe benefits as well as certain other benefits which the University may intend to grant.

(4) No additional provisions may be added to this current policy by the faculties of the University.

#### **The purpose of the Policy**

##### **2. §**

(1) The purpose of the policy is to ensure that Obuda University employees

- a) are to be provided fringe benefits regulated on the basis of uniform principles which on the other hand adapted to individual needs, furthermore
- b) it defines each benefit and the conditions for receiving them.

(2) The University intends to strengthen its employees' motivation and commitment to the University by means of the fringe benefits as well.

## **Part 2**

### **Regulations on fringe benefits**

#### **General regulations on fringe benefits**

##### **3. §**

According to Section 71 of the Personal Income Tax Act § (1) provided the employer is the payer, any payment made through Széchenyi Card is regarded as fringe benefits provided payment is made through employee's

a) accommodation services sub account with the limit of maximum of HUF 225,000 per year total amount for certain accommodation service providers as defined in the Government Decree;

b) catering services sub account may be used for catering services providing locally cooked dishes (including local restaurant services) for various services as defined in the Government Decree with the limit of maximum HUF 150, 000 per year total amount;

c) leisure services sub account with the limit of maximum of HUF 75,000 per year total amount for certain leisure, recreational, health prevention service providers as defined in the Government Decree;

[... .]

(5) E § [... .] applied

[... .]

d) a Széchenyi Card is a payment instrument issued by an authorised institution, which allows the employee to use the subsidy transferred by the employer to purchase services from the authorised service providers included in the scheme.

- (1) The University shall provide the fringe benefits through Széchenyi Card by transferring the subsidy to the following sub accounts:
  - a) accommodation and/or
  - b) catering and/or
  - c) leisure time services.
- (2) The University may provide small gifts to its employees as fringe benefits.
- (3) In 2022, the annual allocation to the Széchenyi Card for full-time employees working 8 hours a day shall net HUF 240 000, which shall be distributed and paid in monthly instalments as an annual regular allowance.  
Part-time employees shall be provided with a proportionate share of the total amount.
- (4) The tax burden on non-taxable benefits is not included in the budget limitation. In addition to the regular allowance paid to employees, the employer is liable for paying any taxes.
- (5) In view of the University's budgetary situation, the Rector may increase the budget limiting it by the annual recreational budget set by the provisions of the legislation in force and may distribute a supplementary amount of the Széchenyi Card or grant a small gift.
- (6) The amount of the annual regular fringe benefits shall be approved by the University Senate by 31 December of the year in question at the latest.

### **Beneficiaries of fringe benefits**

#### **4. §**

- (1) Employees of the University may be entitled to receive the fringe benefit.
- (2) Student workers are not entitled to any additional remuneration.
- (3) University employees are not entitled to fringe benefits
  - a) during a period of continuous incapacity for work of more than thirty days, except for incapacity for work resulting from an industrial accident/occupational disease, from the 31st day of incapacity for work,
  - b) during the period of eligibility for the childcare allowance (CSED),
  - c) while receiving childcare allowance (GYED) or childcare benefit (GYES),
  - d) during the period of exemption from the work, furthermore
  - e) the period of time during which Obuda University is not indicated in the declaration of the National Higher Education of 2011, Article 26 (3) of the Act CCIV of 2011 on National Higher Education as an institution where the inefficiency of the conditions of employment can be taken into account.
- (4) No allowance is payable during periods of unpaid leave, study trips or sabbatical leave exceeding 30 days.
- (5) Only employees who work at least twenty hours a week are entitled to fringe benefits - provided that they are not ineligible for the benefits according to the current regulations.

### **Conditions for claiming fringe benefits**

#### **5. §**

- (1) The transfer of fringe benefits via Széchenyi Card shall be made by the employer managed by the Wage and Labour Office of the Economic Affairs Directorate General (hereinafter referred to as the "Wage and Labour Office") by the 10th day of the month following the month in question, provided that the employee declarations have been duly forwarded to the Wage and Labour Department.
- (2) To apply for Széchenyi Card benefits, the application form issued by the Wage and Labour Department need to be used and submitted to the Wage and Labour Department. The University's employees have to file

an electronic declaration of the allocation of the limit amount by 10 January of the year in question at the latest and forward an original signed declaration to the Wage and Labour Department.

(3) In case the employment begins in the middle of the year, or the fixed term employment contract is extended, thus the employee becomes entitled to a pro rata periodical payment of the fringe benefits, after calculating the proportionate limit amount the Wage and Labour Department shall request the employee to sign the declaration within 5 days on whose basis the employee's benefit may be transferred. The benefit shall be paid to an employee on probation only after 10 days after the expiry of the probationary period retroactively provided that the employee's declaration has been submitted in compliance with regulations to the Wage and Labour Department.

(4) An employee who unintentionally has not sent the declaration required for the application for a Széchenyi Card to the Wage and Labour Department by the given deadline, is entitled to receive the benefits from the day on which he/she has sent the declaration to the Wage and Labour Department. If the declarant is prevented from making a declaration with a justifiable excuse, the employee may, make a declaration within 10 days after the excusable situation is over.

(5) Subsequent alteration of the content of the declaration of the allocation of the limit amount is not allowed.

(6) In the case of a multiple employment relationship, the employee must declare any fringe benefits received from other employers, and in the case of benefits subject to reduced tax rates, the same benefit may be claimed only until the reduced tax rate limit set by law is reached.

(7) If the employee's employment with the University begins or terminates in the middle of the year, employee is entitled to be allotted the benefit in proportion with the number of days that he has had in employment. In case the employer has been paid a greater amount than they would have been entitled to, they have to repay the surplus to the University within a month, In case an employee terminates their employment, the deadline for paying back the additional amount is the last day at work. Employee may transfer the money back or pay it in cash to the hands of the cashier, furthermore, at employee's request the University to cover the difference from his last remuneration. the University may deduct it from his the last salary paid. The Rector is authorised to waive the repayment of the debt.

(8) The precondition for obtaining Széchenyi Card fringe benefits is that the employee has to be in possession of a Széchenyi Card and previous declaration of the three accounts tot he Wage and Labour Department.

(9) In case an employee becomes a part time employee or a part-timer turns into a full-timer during the financial year, the appropriate benefit is payable from the first full month after the date of the change.

(10) The unpaid amount of the fringe benefits in a given year cannot be carried over to the following year, neither can it be converted into cash.

## **Part Three**

### **Transitional and final provisions**

#### **6. §**

(1) These Regulations shall enter into force on 1 January 2022.

(2) With the entry into force of these current regulations, all previously issued regulations and instructions of Obuda University regarding fringe benefits shall cease to be effective.

(3) The Rector of the University is granted the authority to determine other kinds of remuneration means in addition to the ones included in these Regulations, provided the University's budget allows it.