

Support for continued data collection and analysis concerning mobility patterns and career paths of researchers

Country profile – Remuneration Hungary

1	RESEARCHER REMUNERATION IN ACADEMIA	2
1.0	Introduction _____	2
1.1	Main indicators _____	3
1.2	Salaries, stipends and benefits by job positions and employment contract _____	4
1.3	Tax System _____	5
1.4	Labour legislation in the Higher Education Sector _____	5
1.5	Social Security System _____	6
1.6	Quality of Life _____	7
1.7	Gross annual earnings and hourly earnings of non-academic researchers (2006, in PPP €) _____	8

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1 RESEARCHER REMUNERATION IN ACADEMIA

1.0 Introduction

This is one of a series of more than 40 country profiles summarising data on the remuneration of researchers and work-related benefits in the academic sector. Data were collected for the European Commission in 2012 by an extensive network of national experts as part of the MORE 2 study. The profiles provide also complementary data from official sources.¹

A report containing a comparative analysis of the data and more qualitative information related to the remuneration of researchers will also be published as part of the MORE2 study.

The profiles are structured as follows:

1. Main indicators
2. Salaries, stipends and benefits by job position and employment contract
3. Tax system
4. Labour legislation in the Higher Education Sector
5. Social security system
6. Quality of life
7. Where available: Gross annual earnings and hourly earnings of non-academic researchers
8. Where available: Salary data of university researchers by country – A literature survey

In the first section, the main indicators on remuneration (salaries, stipends, and the degree of autonomy of universities to decide on remuneration-related aspects) are compared with the EU-average and the US. In the second section, the profiles summarise minimum, average and maximum annual gross salaries (both in national currency and in purchasing power parities) for all available job positions and employment statuses.

The following sections present an assessment of the value of the gross annual salaries. As it is very difficult to collect data on net salaries that are meaningfully comparable across countries due to very specific regulations, the country profiles include information on the dues that are typically deducted from gross salaries in order to provide an indication of the level of net salaries. Furthermore, data are also presented on the public benefits researchers receive for these deductions. It is important to note that the data provide an indication of the remuneration package and do not offer an exact, comparable measure for researcher salaries across countries.

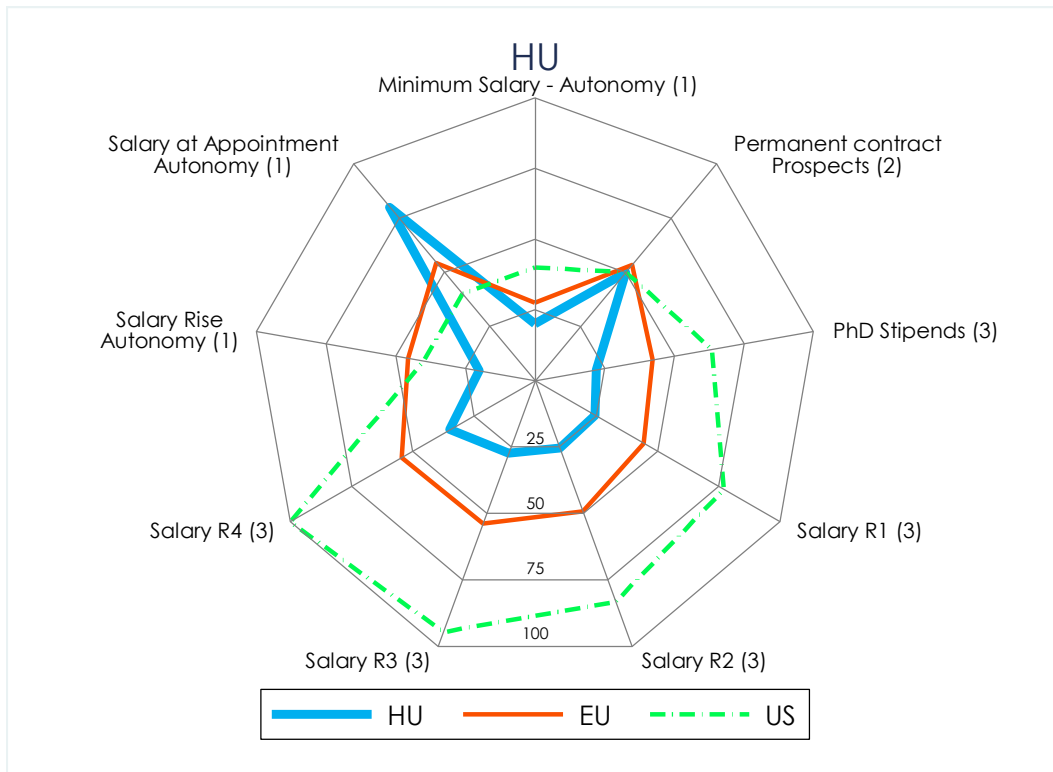
Finally, where available the profiles also contain information on the gross annual and hourly earnings of non-academic researchers based on Eurostat's Structure of Earnings Survey, and a summary table on salary data collected in other studies.

Further information on data collection and results of the study is available in:

IDEA Consult et al, 2013. MORE2 - Support for continued data collection and analysis concerning mobility patterns and career paths of researchers, Remuneration Cross-Country Report (WP4). European Commission, DG Research and Innovation.

¹ Data have been collected in 2012. If there are more recent data available, they have not been included in the country profiles but the respective sources are listed in chapter 7 of the MORE2 WP4 report (IDEA et al. 2013).

1.1 Main indicators



Source: MORE II expert survey; Spokes are normalised minimum = 0, and maximum = 100% in case of „PhD-Stipends“ and „Salaries R1-R4“, maximum = R1 in case of „Permanent contract“, and maximum = 5 in case of „Salary rise“, „Salary at appointment“, and „Minimum salary“. Missing values are set to zero.

- 1) **Degree of autonomy:** „Salary rise“, „Salary at appointment“, and „Minimum salary“ based on question: „Please indicate the institutional level at which the following aspects of public university researchers are de-termined?“ Scale: (1) National, (2) Regional (state), (3) Sector/collective agreements, (4) University, (5) Individual negotiation, (0) missing value;
- 2) **Prospect of a “permanent contract”** shows the lowest career stage (R1-R4) at which university researchers can obtain permanent contracts.
- 3) **Salaries:** „PhD Stipends“, „Salaries R1-R4“ show gross annual salaries (in PPP €) paid in the country as a percentage of the best paying country at this career stage.

1.2 Salaries, stipends and benefits by job positions and employment contract

Rank	Name	Type of contract		Annual Gross Salary in national currency and (in PPP €)			Mandatory insurances		
		Employment status	Contract duration	Minimum	Average	Maximum	Health care	Unemployment	Pension
R1	PhD-Candidate ¹⁾	Stipendiary	Fixed 2-4 years	. (.)	1,116,000 (5,472)	. (.)	X		X
R1	Assistant Lecturer ²⁾	Civil Servant	Fixed 1-2 years	1,941,612 (9,520)	. (.)	. (.)	X		X
R1	Scientific Junior Member ³⁾	Civil Servant	Fixed 2-4 years	2,099,040 (10,292)	. (.)	. (.)	X		X
R2	Research Fellow ⁴⁾	Civil Servant	Fixed 1-2 years	2,623,800 (12,865)	. (.)	. (.)	X		X
R2	Senior Lecturer ⁵⁾	Civil Servant	Fixed 1-2 years	2,361,420 (11,578)	. (.)	. (.)	X		X
R3	Associate Professor ⁶⁾	Civil Servant	Permanent	2,886,180 (14,151)	. (.)	. (.)	X		X
R3	Senior Researcher ⁷⁾	Civil Servant	Permanent	3,673,320 (18,010)	. (.)	. (.)	X		X
R4	Professor ⁸⁾	Civil Servant	Permanent	3,935,700 (19,297)	. (.)	. (.)	X		X
R4	Research Professor ⁹⁾	Civil Servant	Permanent	5,247,600 (25,729)	. (.)	. (.)	X		X
R4	Scientific Adviser ¹⁰⁾	Civil Servant	Permanent	5,247,600 (25,729)	. (.)	. (.)	X		X

Source: MORE II - Expert Survey; **National currency:** HUF; **Annual Gross Salary:** **Source:** 1) 2012; Law on Higher Education (2005, Nr. CXXXIX), Law on 2012 State Budget (2011 Nr. CLXXXVIII); 2, 3, 4, 5, 6, 7, 8, 9, 10) 2012; Calculation of the country expert based on: Law on Civil Servants (1992, Nr. XXXIII, annex II), Law on 2012 State Budget (2011 Nr. CLXXXVIII), which contain the basic data for remuneration categories by level of education and by years of employment; **Notes:** ad 2-10) There can be permanent and fixed-term positions for all job positions, but from the level of a Research Fellow upwards fixed-term contracts are not very common; ad 2, 4, 5) Contracts lasts 1-3 years if they are project based; ad Salary: Maximum gross salaries cannot exceed (by law) 10 times the average monthly gross salaries of the previous year as published by the Hungarian Central Statistical Office; ad Stipends: State scholarships are awarded depending on a ranking of applying PhD candidates by their ability to self-finance their PhD studies. Any Hungarian or EU national (with residence permit) student, or students with Hungarian ID (from other neighbouring countries) are eligible for this scholarship. For those students who are benefiting from this scholarship it is not allowed to work full-time but only part time up to 50% of a full-time job. In case the PhD candidate fails to register for the semester, stipends are terminated; **PPP:** Salaries and Stipends in national currency are converted into PPP US-Dollar (2011) and the resulting PPPs are converted into EURO using the currency exchange rate of Eurostat 1,3920\$ = 1EURO; if the year of the salary or the stipend is not 2011, the amount was grossed up to 2011 using the unit labour costs index of the AMECO database.

1.3 Tax System

Taxes	
Income bracket in national currency from	0
Income bracket in national currency to	max
Marginal Tax rate	16.0

Levy of income tax	The employer automatically deducts the income tax from the gross salary. The employee pays the income tax after her annual tax declaration
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Tax Wedge in % of labour costs			
Single, no children (average wage)	46.44	Married couple, two children (average wage)	36.28
Single, no children (167% of average wage)	52.70	Married couple, two children (167% of average wage)	39.20
Married couple, no children (133% of average wage)	43.70		

Tax rate: Source: OECD, 2011*; **Levy of income tax:** Source: MORE II - Expert Survey based on question "Please indicate how personal income tax is usually levied?"; **Country-specific comment:** In some cases, if the employer has not deducted the income tax or has not deducted the right amount, the employee pays the income tax after the tax declaration; **Tax Wedge in % of labour costs:** Source: OECD, 2010*; **Note:** Income tax plus employee and employer contributions less cash benefits in % of the labour costs for selected personal circumstances; **Country-specific comment:** In the Hungarian tax system, the tax wedge does not differ depending on marital status, but on the number of children.

* More recent data available, cf. IDEA et al. 2013, ch. 7.

1.4 Labour legislation in the Higher Education Sector

Institutional levels determining remuneration aspects			
Salary (at appointment)	Individual negotiation; University	Unemployment insurance	National
Salary rise	National; Individual negotiation; University	Health care insurance	National
Minimum salary	National	Retirement pension insurance	National
Working time	National		

Relevant factors for salary rise (incl. rank)	Other reasons(1); Performance(2); Seniority(3)
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Source: MORE II - Expert Survey based on question "Please indicate the institutional level at which the following aspects of public university researchers are determined?"

Dismissal of University Researchers					
	9 months tenure	4 years tenure	20 years tenure		
Notice period (in months)	1.0	1.2	3.0	2008	OECD
Severance pay (in months)	0.0	1.0	5.0	2008	OECD
Duration of Compensation in case of Unemployment (in Months)	9	2010	OECD		
Average Net Replacement Rate in case of Unemployment (in % of previous income for a 40 year old)					
Two-earner married couple, no child	62		Two-earner married couple, two children	65	

Dismissal of University Researcher: Note: Conversion into months if original data are listed in weeks or days: weeks/7 days * 30 days; days * 30 days; **Duration of Compensation in case of Unemployment (in Months):** Note: For a 40-year old (where benefits are conditional on work history, the table assumes a long and uninterrupted employment record); **Average Net Replacement Rate:** Source: OECD, 2010*; **Note:** The percentage of a worker's pre-unemployment income that is paid out by the unemployment insurance when the worker becomes unemployed in two different categories of personal circumstances.

* More recent data available, cf. IDEA et al. 2013, ch. 7.

1.5 Social Security System

Public social spending (% of GDP)	22.93	2007*	OECD	Public health spending (% of GDP)	5.25	2007*	OECD
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Insurances usually go beyond what is mandated by law

Additional health care insurance			
Additional health care insurance by university	Never	Do researchers usually have additional private health care insurance?	No
Covered by researchers' remuneration package (incl. mandatory insurance)	Ambulant treatment; Hospital treatment; Rehabilitation; Drugs/pharmaceuticals		
Additional retirement pension insurance			
Additional retirement pension insurance by university	Never	Do researchers usually have additional private retirement pension insurance?	No
Additional (private) retirement pension insurance is...	Not important		

Additional health care/retirement pension insurances by university: Source: MORE II - Expert Survey based on question "Do universities provide the following social security insurances for university researchers, exceeding what is mandated by law?"; **Do researchers usually have additional private health care/retirement pension insurance?** Source: MORE II - Expert Survey based on questions "Do researchers usually purchase additional health care insurance/pension funds, beyond what is already provided in the remuneration package?"; Country-specific comment: Private health care insurance has penetrated in Hungary but its use is not very frequent among researchers. On the ad hoc basis some of them are using private health care. Recently the three-pillar pension system was demolished but there is still opportunity for additional voluntary pension savings but much less people are using this opportunity than previously. The additional pension savings became much less popular following the recent history of the re-organisation of the system. Personal strategies are therefore different for maintaining a personal standard of living after the retirement. The key strategy is to work longer and earn some money. Additional strategies are to accumulate savings in the bank or to invest in valuable works. **Covered by researchers' remuneration package (incl. mandatory insurance):** Source: MORE II - Expert Survey based on question "Please indicate the extent to which health care is compulsorily covered by researchers' remuneration packages in your country."; **Additional (private) retirement pension insurance is...:** Source: MORE II - Expert Survey based on question "How important is additional (private) retirement pension insurance for researchers in order to maintain their personal standard of living after retirement?"; Country-specific comment: In Hungary every employee has to pay compulsory for social security and pension insurance which is one of the main income of the national health service and pension payments. There are alternative ways of personal savings for health- and pension-related aims but these forms are hardly supported by employers. Recent central increase of public wages forced HEIs to re-work their remuneration system leading to the drop of practically all previously eligible provisions to be able to raise the salaries. In the previous system additional health care insurance and pension insurance was more common practice.

* More recent data available, cf. IDEA et al. 2013, ch. 7.

1.6 Quality of Life

Income and Welfare				Governance			
GDP per capita (in PPP €)	15,525	2011	Worldbank	Voice and Accountability #	28 / 46	2011	Worldbank
GDP per capita (in €)	10,089	2011	Worldbank	Political Stability and Absence of Violence #	21 / 46	2011	Worldbank
Human Development Index #	30 / 46	2011*	HDI	Government Effectiveness #	29 / 46	2011	Worldbank
Life expectancy	74.40	2011*	UNDESA	Regulatory Quality #	24 / 46	2011	Worldbank
				Rule of Law #	30 / 46	2011	Worldbank
				Control of Corruption #	29 / 46	2011	Worldbank
Quality of public child care				Quality of Education			
Net childcare costs (% avg wage)	8.48	2004	OECD	Average Years of Schooling #	20 / 45	2010	OECD
Childcare fees (% avg wage)	4.24	2004	OECD	PISA reading score #	23 / 43	2009	OECD
Public spending on childcare and early education (% GDP)	0.63	2007*	OECD	PISA mathematic score #	24 / 43	2009	OECD
Public spending on family benefits (% GDP)	3.34	2007*	OECD	PISA science score #	18 / 43	2009	OECD
Public spending on pre school services (% GDP)	0.53	2007*	OECD	Public expenditures on education (% of GDP)	4.82	2009	OECD
Ratio of child to carer	6.00	2009	OECD	Private expenditures on education (% of GDP)	0.54	2006	UNESCO
Ratio of children to teaching staff	10.47	2009	OECD				

Ranking within countries with available data covered in this study; **GDP per capita (in PPP €):** Note: GDP per capita is converted into PPP US-Dollar (2011) and the resulting PPPs are converted into EURO using the currency exchange rate of Eurostat 1,3920\$ = 1EURO; **Life expectancy:** Note: Number of years a new born infant could expect to live if prevailing patterns of age-specific mortality rates at the time of birth stay the same throughout the infant's life; **Net childcare costs:** Note: for a dual earner family with full-time arrangements of 167% of the average wage in % of the average wage; **Childcare fees:** Note: Childcare fees per two-year old attending accredited early-years care and education services; **Childcare fees in % of average wage:** Note: Childcare fees in % of average wage; **Public spending on childcare and early education:** Note: Total spending in % of GDP; **Public spending on family benefits:** Note: Public expenditure on pre-school services in % of GDP; **Public spending on pre school services:** Note: Public expenditure on pre-school services, in % of GDP; **Ratio of children to carers:** Note: Shows the average child-to-carer/educator ratio for children not yet 4 years of age who attend licensed day care facilities; **Ratio of children to teaching staff:** Note: For children attending pre-school, certified teacher-to-child ratios are calculated by dividing the number of full-time equivalent children enrolled in pre-school programmes by the number of full-time equivalent teachers at that level.

* More recent data available, cf. IDEA et al. 2013, ch. 7.

1.7 Gross annual earnings and hourly earnings of non-academic researchers (2006, in PPP €)

Subsample	Number of Observations	Gross annual earnings in the reference year								Average gross hourly earnings in the reference month								Annual days of holiday leave
		Mean	p1	p5	p25	p50	p75	p95	p99	Mean	p1	p5	p25	p50	p75	p95	p99	p50
Gender																		
male	59980	24,977	6,084	10,142	14,905	19,115	25,407	43,841	72,413	10.15	2.76	4.46	6.09	7.61	10.08	17.24	28.13	30
female	162708	18,815	8,517	10,198	13,372	15,895	19,425	30,196	45,857	7.69	3.76	4.47	5.6	6.5	7.68	11.71	17.65	32
Age																		
<20	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20-29	35961	16,819	6,084	8,913	10,718	12,672	16,731	26,617	40,338	7.08	2.76	4.13	4.62	5.25	6.86	10.46	16.53	24
30-39	59127	21,479	7,501	10,192	12,440	14,481	18,833	32,817	57,391	8.82	3.28	4.51	5.24	5.91	7.56	13.04	22.7	30
40-49	64248	21,311	9,197	12,524	14,583	16,544	20,036	31,399	51,874	8.6	3.99	5.4	6.06	6.62	7.87	12.11	20.08	34
50-59	52861	23,124	9,674	14,326	16,584	19,043	23,564	35,846	55,202	9.25	4.25	6.07	6.78	7.51	9.19	13.68	20.64	36
60+	10491	27,603	7,922	14,233	19,018	23,573	32,209	51,808	72,931	11.12	3.51	6.19	7.64	9.45	12.66	20.25	28.41	36

Source: Eurostat - Structure of Earnings Survey 2006, own calculations. Table displays mean and percentiles (p1-p99). Note: Non-academic researchers are identified if both criteria are fulfilled: ISCED Codes 5A/B or 6 and ISCO 2 or 3.