

Minimum Wage & Collective Bargaining in Hungary 2025

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Hungary

Statutory Minimum Wage ✓

• Monthly Min. Wage 707.00€

• Hourly Min. Wage 4.24€

48.00%

• MW as % of Median
Wage

37.00%

• MW as % of Gross
Average Wage

• Gender pay gap 16.60%

22.00%

• Collective bargaining coverage

• Process of transposition:
Partially transposed

↔ Compare with other countries



Minimum wage system in Hungary

The general statutory minimum wage was introduced on 1 March 1989 during the change of regime and in the context of the dismantling of centralised state wage regulation. The introduction was accompanied by the creation of institutional reconciliation. The main motivating factor for the creation of the first tripartite council (National Council for the Reconciliation of Interests) was wage policy coordination, especially the definition of the minimum wage, which since then has been set in a tripartite framework. Since 2006, the minimum wage system has had two elements:

- (i) minimum wage;
- (ii) guaranteed wage minimum: compulsory for jobs requiring at least secondary education or a vocational training qualification – it is higher than the minimum wage.

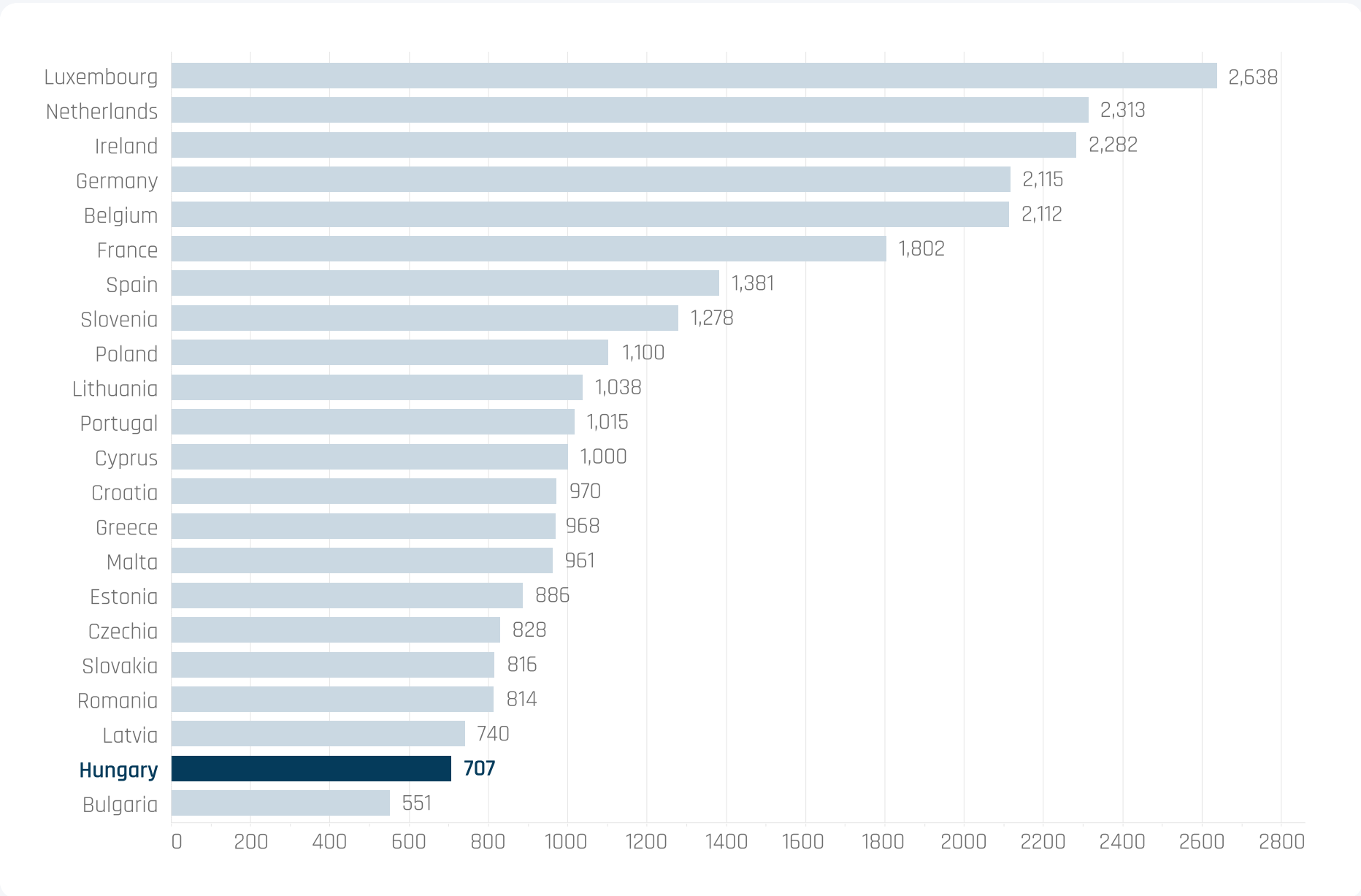
The legal basis of the Hungarian minimum wage regime is [Act I of 2012 on the Labour Code](#). According to this act the amount and scope of the minimum wage and guaranteed wage minimum shall be determined by the government following the consultations in the National Economic and Social Council and in the Standing Consultative Forum of the Private Sector and the Government. In practice, the latter is the real framework for minimum wage negotiations.

The Standing Consultative Forum of the Private Sector and the government has a tripartite structure and it has been designated on the basis of the European Minimum Wage Directive. Detailed rules for consultations are determined by [Government Decree No. 308/2024 \(X. 24.\)](#).

The minimum wage is legally binding for all workers, but according to the Labor Code the government may set different minimum wages for different categories of workers. In practice, the government has never exercised this option. However, one group of employees is explicitly excluded from the scope of the minimum wage. The wage earned by workers employed in public work programmes is lower than the minimum wage and determined separately by the government alone, without any consultation with the social partners. In addition, a wage lower than the minimum wage is possible in the case of simplified employment (seasonal agricultural and tourist work or occasional work) and performance pay. In the latter case, the minimum wage is mandatory upon 100 per cent fulfilment of the normative performance requirement and upon completion of full working time. On the basis of an employment relationship established for the purpose of simplified employment, at least 85 per cent of the statutory minimum wage, or 87 per cent in the case of a guaranteed minimum wage, is paid as basic salary or performance-related salary.

According to Government Decree No. 308/2024 (X. 24.), the minimum wage is adjusted every year in the framework of the Standing Consultative Forum of the Private Sector and the Government. The Decree sets up a timeline for the consultations: the government is obliged to inform the social partners on facts and predictions concerning incomes, wages, GDP, employment rate, inflation rate and productivity. This information must be disseminated by 30 September every year together with the convocation of the forum.

Monthly Minimum Wage (€) per Country



<div>Statutory Minimum Wage</div> <div>Yes</div>	<div>Wage inequality (inter-decile Ratio P90/P10)</div> <div>3.70</div>	<div>Gender Pay Gap</div> <div>16.60%</div>
<div>Hourly Minimum Wage</div> <div>4.24€/hour</div>	<div>Nominal Growth rate of Wages</div> <div>9.00%</div>	<div>In-work poverty rate</div> <div>6.00%</div>
<div>Monthly Minimum Wage</div> <div>707.00€/ month</div>	<div>Real Growth rate of wages</div> <div>5.20%</div>	<div>% of workers covered by minimum wage</div> <div>7.70%</div>



Minimum wage system in Hungary

Consultations must start by 15 October every year. The Decree also declares the ‘ambition’ or ‘aspiration’ of social partners to deliver an agreement by 1 December. In case of a decision made upon a ‘majority by sides’ and with the approval of the government, consultations can also be conducted during the year to adjust the level of the minimum wage. The term ‘majority by sides’ means that of the three employers’ organisations represented in the Consultative Forum two need to vote in favour; by the same token two of the three trade unions represented on the Consultative Forum need to vote in favour.

The Labour Code and the abovementioned Decree formulate a number of criteria and indicators for the adjustment of the minimum wage. The following should be taken into account:

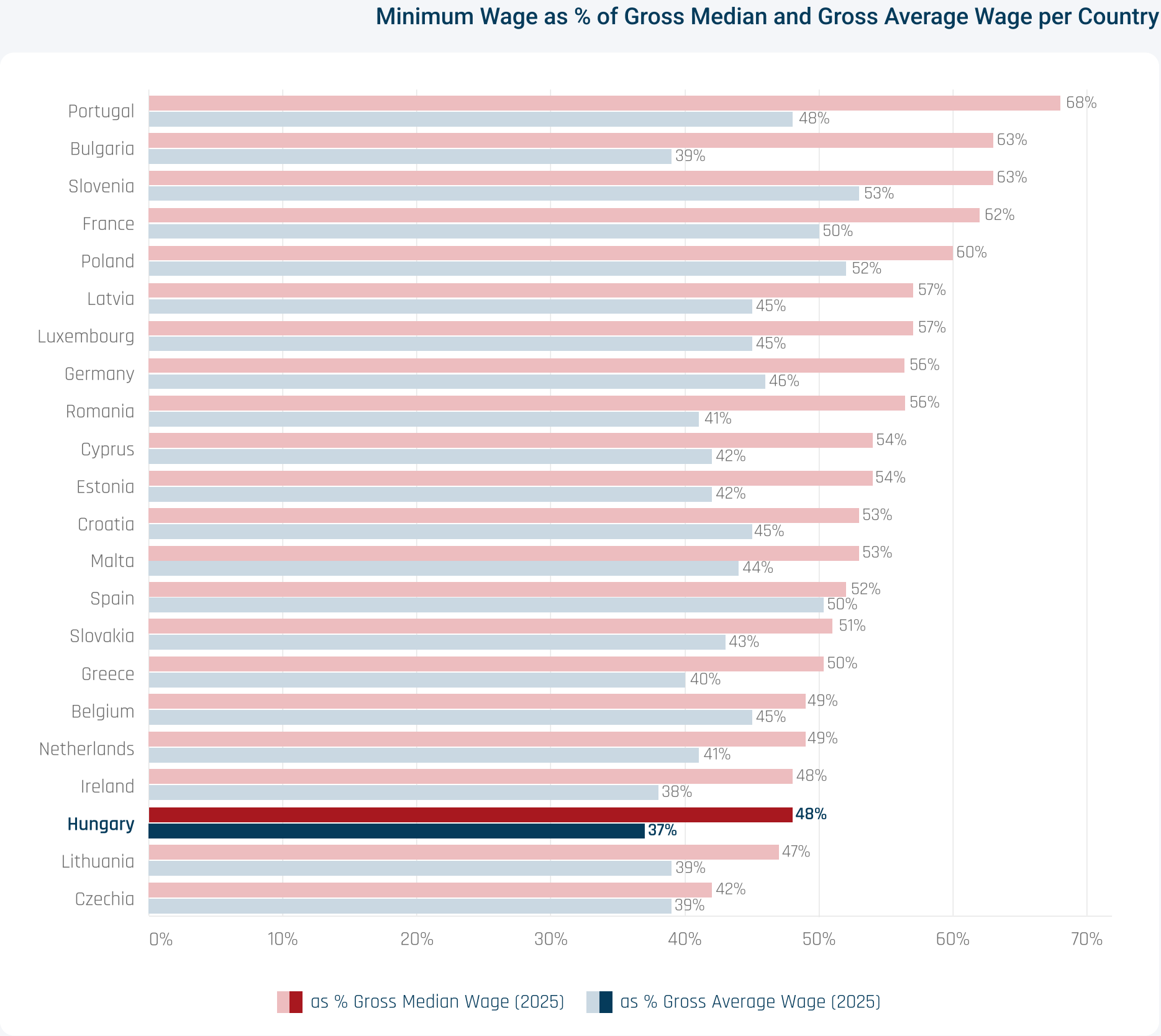
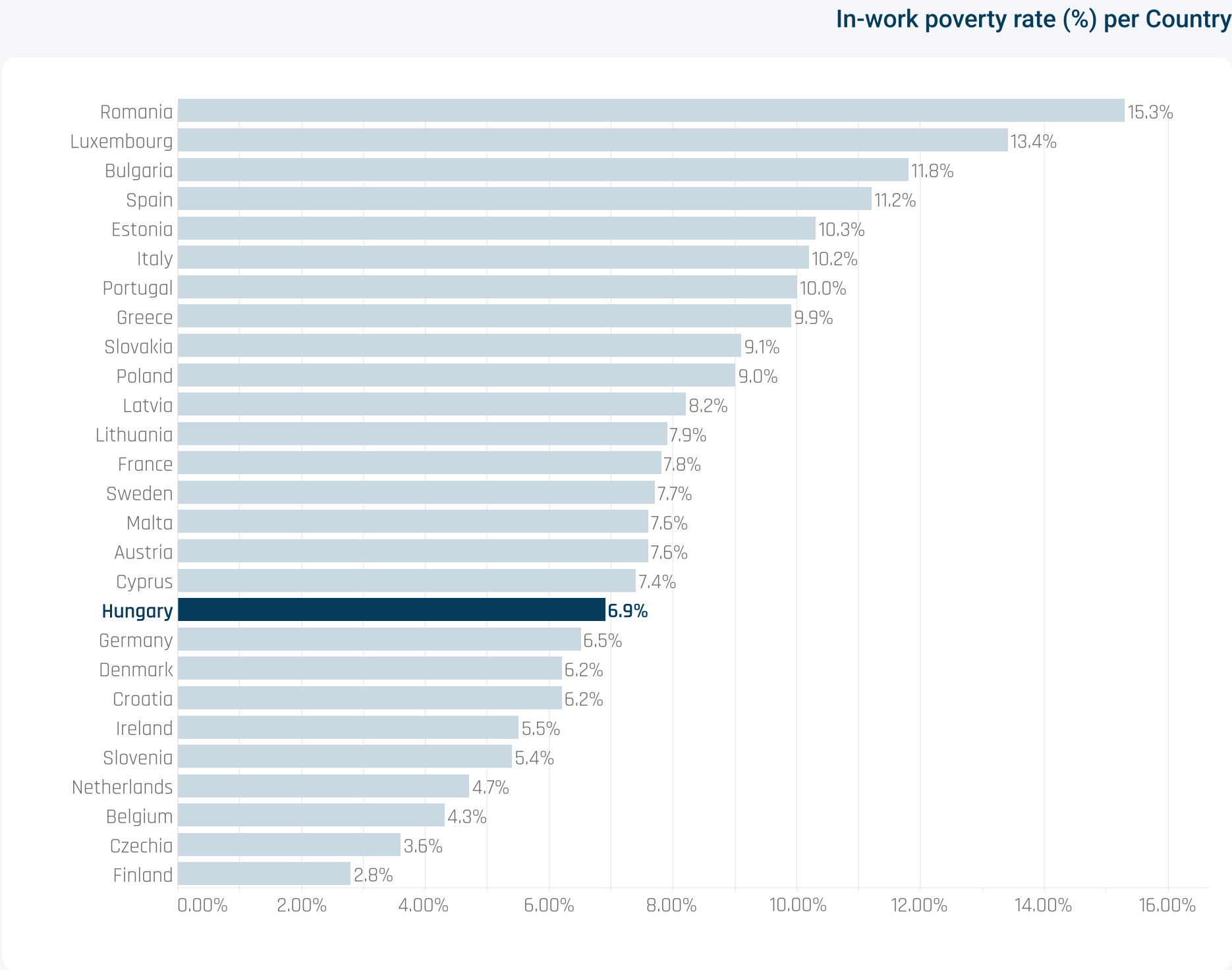
- the requirements for the job;
- the characteristics of the national labour market;
- the state of the national economy;
- the labour market specificities of each sector of the economy and of each geographical area;
- living costs;
- the overall level and distribution of wages;
- the growth rate of wages.

Despite the dynamic increase in recent years, the Hungarian minimum wage is the second lowest in the EU.

During the transposition process of the European minimum wage directive the government and the social partners agreed on 50 per cent of the average regular gross earnings as indicative reference value.

In order to reach this value by 2027, following the annual wage consultations, the social partners concluded a three-year agreement which sets the increases for the next three years: 9 per cent for 2025, 13 per cent for 2026 and 14 per cent for 2027. It should be noted that the term ‘average regular gross earnings’ includes the gross average wage (basic wage + wage supplements,

for example, for night shifts, overtime work and so on), but not ‘occasional/non-regular earnings’ (for example, premium, bonuses, 13th monthly salary).





Collective Bargaining system in Hungary

The general rules of collective bargaining are laid down by the [Labour Code](#), with some additional provisions for the public sector in the [Act on the status of civil service employees](#), and for sectoral agreements (for example, extension mechanism) in the [Act on Sectoral Dialogue Committees](#).

Despite the latter legal framework, collective agreements are concluded almost exclusively at the workplace level. Only one extended sectoral agreement is in force, which covers the energy industry. According to the Labour Code, a trade union with a 10 per cent density can conclude collective agreements. If multiple organisations reach the 10 per cent threshold, the agreement can be concluded only if they all agree.

However, any of the concluding organisations can terminate the agreement. According to the Labour Code, a request to negotiate a collective agreement cannot be refused, although there are no specific rules on these negotiations. A trade union organisation reaching the 10 per cent threshold in a workplace where there is already an agreement in force has the right to request an amendment to the existing agreement and to take part in the negotiations on the amendment.

According to the Labour Code, collective agreements may be terminated by giving at least three months’ notice. Neither of the parties shall be entitled to exercise the right of termination within six months of the conclusion of the collective agreement. Besides these limitations, fixed-term collective agreements shall cease to exist upon the expiry of the fixed term.

Collective bargaining coverage is in a decades-long decline. According to [Meszmann and Szabo \(2023\)](#), between 1993 and 2020, coverage dropped from 45 to 22 per cent. This can be attributed to at least three key factors. First, public sector bargaining is being systematically undermined by direct and indirect government abuses, for example, explicit prohibition of collective agreements in some areas (health care, public administration, defence and so on), and the setting of excessive minimum service levels in strike law (public education). A second factor is the weakness of the social partners. Trade union density in Hungary is one of the lowest in the EU. In the meantime, however, the representation of employers is also highly fragmented.

Thirdly, employers’ interest in starting negotiations with unions also remains questionable due to the extremely flexible individual labour provisions and the lack of public policy support (for example, lack of public procurement clauses or equivalent incentives).

According to the Labour Code access to workplaces must be guaranteed to trade unions that are represented in the respective workplace (for example, they have at least one declared member at the workplace). However, the Labour Code does not specifically sanction employers violating this right, which makes the rule inefficient. The example of the intense conflict in the company [Dunaferri](#) in 2020 showed how a management decision to deny the access of trade union representatives can leave the local unions without efficient remedies.

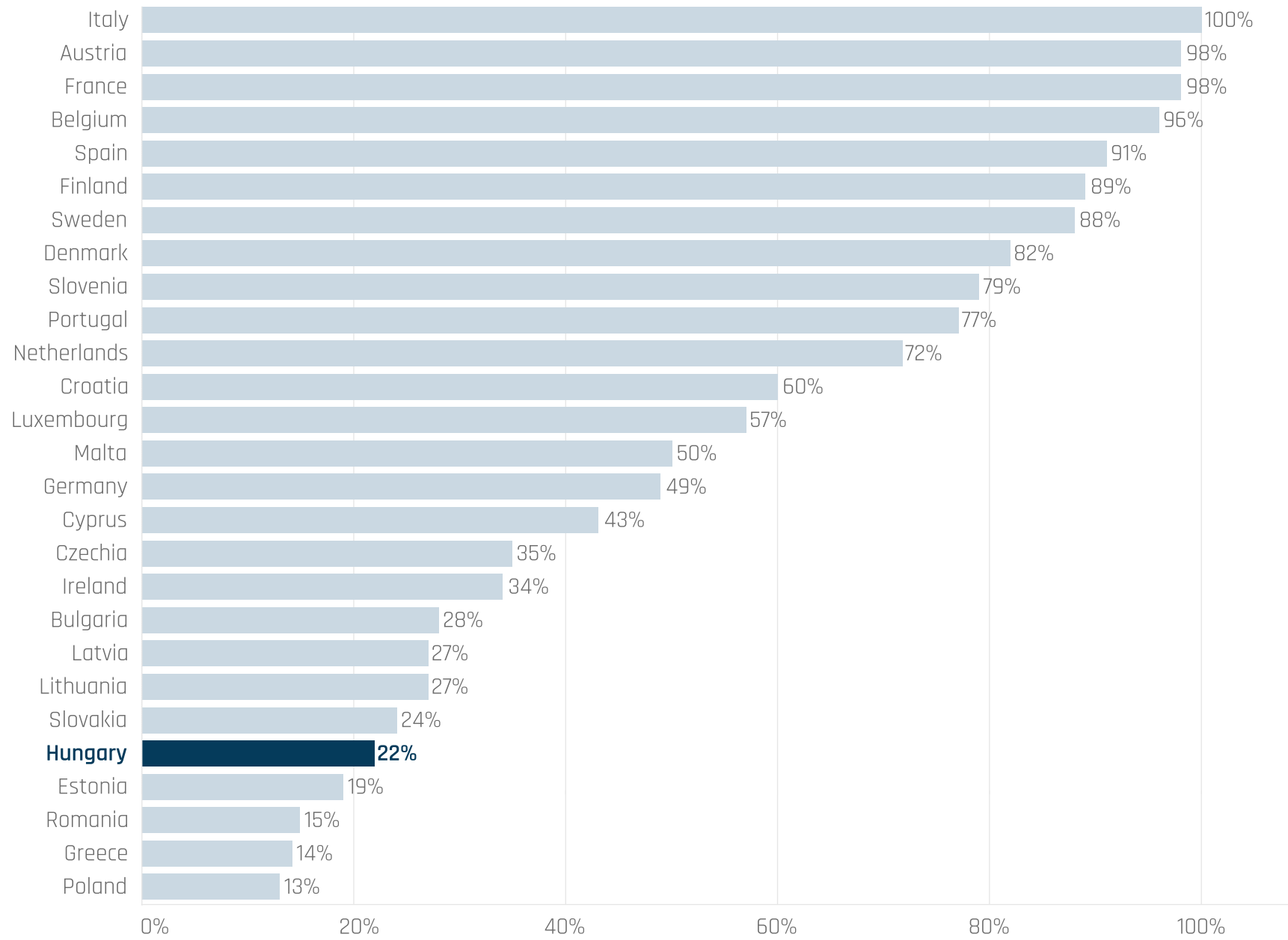
Collective Bargaining Coverage
22.00%

Trade Union Density
8.30%

Extension Mechanism
Rare extension

Validity of Collective Agreements after expirations?
No

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Hungary

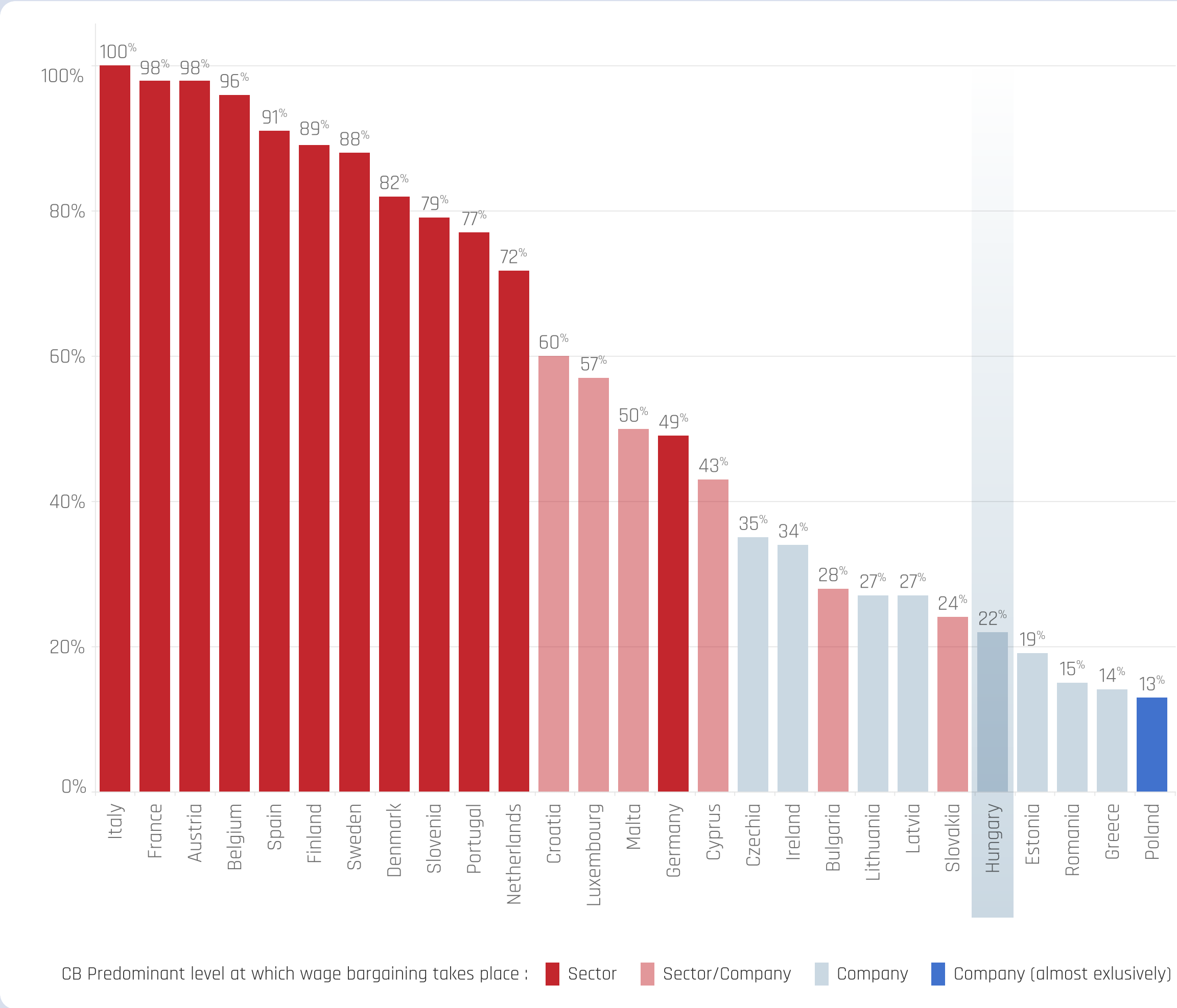
Trade union members and representatives have legal protection against abusive employer practices. On one hand, trade union members are entitled to equal treatment in various areas of employment.

They are protected against direct and indirect discrimination, as well as harassment and other relevant abuses. The rights of law enforcement are the same as for gender or age discrimination. On the other hand, according to the Labour Code, trade union officials are entitled to a specific labour law protection against dismissal and posting.

Before 2012, there was no limit on the number of trade union officials protected, but in the current Labour Code the number of protected persons depends on the number of employees (varying from two to six protected officials). The labour law protection means that the abovementioned measures (dismissal, posting) require preliminary agreement from the trade union.

An eventual dispute on such measures can be turned into court cases, although disrespecting the protection automatically makes dismissals and postings illegal. Even though these legal channels seem stable on paper, direct union-busting remains a practice of employers that can afford the eventual costs of a lost court case in order to stop union organising. Examples of such employer behaviour are provided by [Suzuki in 2019](#), where after the creation of a union the company instantly fired the protected union official, and in a similar vein the company [HírTV in 20 24](#).

CB Predominant level at which wage bargaining takes place per Country





Transposition of the European Directive on Adequate Minimum Wages in the EU

Wage-related issues covered by the Directive have been transposed in Government Decree 308/2024 (x.24.) by the end of October 2024. As a result of this legislation, the so-called VKF, former informal consultation body of private sector social partners and the government, has legally been given competences for minimum wage consultations without significantly changing its previous informal practices.

The decree contains the wage-setting criteria set out in Article 5.2(a-d) of the Directive (without touching the existing criteria of the Labour Code), as well as an indicative reference value of ‘50% of the average regular gross earnings calculated by the Central Statistical Office on the basis of the data available for the previous year’. As for the consultation process, a legally formalised timeline is also laid down by the decree, which however partly replaces the former practice of unanimous agreements creating a new ‘majority by sides’ principle.

In practice, this new rule means the following: the VKF is composed of three trade union and three employer organisations. According to the new principle, a simple majority on either side will fulfil the legal criteria of an ‘agreement’ on minimum wages. However, since the VKF only had and will only have a consultative role, the government is still entitled to determine minimum wages without any sort of agreement.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

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