Pannon Egyetem
University of Pannonia

Joint Directive No. 9/2024. (XI.22.) of the Rector and the Chancellor on the Rules of Procedure for the Admission of Foreign Nationals Establishing an Employment Relationship or Concluding a Work Contract with the University of Pannonia, or Participating in Research Activities

(Amendment of Joint Directive No. 1/2023. (I.02.) of the Rector and the Chancellor)

I. Purpose of the Directive

(1) The University of Pannonia (hereinafter referred to as the "**University**") is establishing an increasing number of employment relationships with private individuals of foreign nationality. Pursuant to the Act specified in paragraph b) of Section II (1), effective as of 1st January 2024, the purpose of this Directive is to provide information on the statutory conditions for the employment of foreign nationals, and to define the procedures applicable to the establishment of legal relationships between foreign nationals and the University. Further information regarding the relevant administrative procedures is available on the website of the National Directorate-General for Aliens Policing (hereinafter referred to as "**NDGAP**") in Hungarian and English, or may be requested from the Directorate of Human Resources Management (hereinafter referred to as "**DHRM**").

II. Determination of the legal basis

(1) The following legal regulations primarily govern the employment of foreign nationals in Hungary:
   a) **Act I of 2007** on the entry and residence of persons with the right of free movement and residence (hereinafter referred to as "**FMAct**"),
   b) Act XC of 2023 on the general rules for the entry and residence of third-country nationals (hereinafter referred to as "**TCNAct**"),
   c) Act IV of 1991 on the promotion of employment and provision for the unemployed (hereinafter referred to as "**PEAct**"),
   d) **Government Decree 355/2007 (XII. 23.)** on transitional rules applied by the Republic of Hungary regarding the free movement of workers in respect of persons with the right of free movement and residence,
   e) **Government Decree 445/2013 (XI. 28.)** on the authorisation of the employment of third-country nationals in Hungary through procedures other than the single application procedure, on exemptions from the obligation of authorisation, on the participation of the capital and county government offices' labour centres as specialised authorities in the single application procedure, on the notification of employment in Hungary of third-country nationals exempt from authorisation, and on the reimbursement of wages,
   f) **Government Decree 35/2024 (II. 29.)** on the implementation of Act XC of 2023 on the general rules for the entry and residence of third-country nationals,
   g) **Government Decree 181/2007 (VII. 6.)** on the accreditation of research organisations hosting third-country national researchers, and on the hosting agreement,
   h) Regulation (EC) No 883/2004 of the European Parliament and of the Council (of 29th April 2004) on the coordination of social security systems (hereinafter referred to as "**Regulation 883/2004/EC**"),
   i) Act V of 2013 on the Civil Code,
   j) Act C of 2001 on the recognition of foreign certificates and diplomas (hereinafter referred to as "**Recognition Act**").

III. General rules on the employment of foreign nationals

(1) Foreign nationals employed in Hungary can be divided into two main groups according to the rules applicable to them:

a) **EEA nationals** (EU, Switzerland, Norway, Iceland, Liechtenstein) **may work in Hungary without a residence permit**. However, the employer must notify the county government office acting within the competence of the state employment service, according to the place of employment, about the employment of persons entitled to free movement and residence. In addition, a stay **exceeding ninety days within one hundred and eighty days** must be reported by the foreign national through the Enterhungary system or to the immigration office competent according to their place of residence, where a registration certificate (card) will be issued to the applicant.

b) **Third-country nationals** (non-EEA citizens) **may, as general rule, be employed under an employment relationship only if they hold an official residence permit, namely a so-called single permit[1]. The employment relationship may last only for the period of validity of the residence permit**, which in turn cannot exceed the validity of the foreign national's travel document. From the University's perspective, the following types of official residence permits are principally relevant for employing third-country nationals:

i. **Residence permit for the purpose of employment:** issued to a person who, under an employment relationship, performs actual work for and under the direction of another person or entity, in return for remuneration. The minister responsible for employment policy may specify in a public notice certain occupations for which a residence permit for the purpose of employment cannot be issued.

ii. **Residence permit for the purpose of research:** issued to a person who, under a hosting agreement concluded with an accredited research organisation, intends to stay in Hungary for the purpose of carrying out scientific research. No labour demand notification is required, but a hosting agreement for researchers is necessary.

iii. **EU Blue Card:** a residence permit that entitles its **highly qualified holder** to reside in the territory of a Member State and, at the same time, to be employed in highly qualified work, in return for a gross salary of at least **HUF 884,000** (in 2025)[2]. Validity: 0.5–4 years. During the first year from issuance, the EU Blue Card entitles the holder only to the highly qualified **employment** relationship authorised by the permit. The employer may also act as an authorised representative electronically.

iv. **Hungarian Card:** issued to a person whose purpose of residence is to perform actual work for and under the direction of another person or entity, in return for remuneration, and who, in addition, **holds a foreign professional qualification specified by a public notice** of the minister responsible for higher education (in the fields of information technology, engineering or natural sciences), which qualification is relevant to the position to be filled. The employer may also act as an authorised representative electronically.

v. **National Card:** may be issued to a person of a **nationality specified in a government decree[3]**, whose purpose of residence is to perform actual work for and under the direction of another person or entity, in return for remuneration.

vi. **Residence permit for the purpose of studies: full-time** students may carry out gainful activity for **up to thirty hours per week** during the academic term, and outside term time, for a maximum of ninety days or sixty-six working days per year

[1] **Single Permit**: a residence permit that entitles a third-country national to reside in Hungary and to establish an employment relationship with a specified employer.

2 For a third-country national employed in Hungary under an employment relationship on the basis of an **EU Blue Card**, the monthly remuneration may not be less than one and a half times the national gross average monthly wage published by the Hungarian Central Statistical Office for the second year preceding the given year.

3 **National Card**: may be issued to nationals of the following countries: Bosnia and Herzegovina, Republic of North Macedonia, Republic of Belarus, Republic of Moldova, Republic of Montenegro, Russian Federation, Republic of Serbia, Ukraine.

in full-time employment.

IV. Special rules for research activities in Hungary based on a residence permit for the purpose of research and a hosting agreement

(1) A **third-country national researcher** may be granted a residence permit for the purpose of research if he or she intends to stay in the territory of Hungary to carry out **scientific research on the basis of a hosting agreement concluded with an accredited research organisation**[4].

IV.I. Rules of procedure in case of employment established alongside research activity carried out under a hosting agreement and with a residence permit for the purpose of research

(1) If, in addition to carrying out research activities, the researcher also performs teaching activities and/or the University intends to employ the researcher in addition to the research activity stipulated in the hosting agreement, an employment relationship must be established (**in the form of an employment contract**) for a fixed term of at least three months, which may not exceed the expiry date of the residence permit for the purpose of research. Pursuant to Section (20) of Article 15 of Government Decree 445/2013 (XI. 28.):

> ***no permit is required for the employment*** *of a third-country national in Hungary within the framework of an employment relationship for such research activity in Hungary as is carried out on the basis of a hosting agreement concluded with an accredited research organisation, in accordance with the provisions of the government decree on the accreditation of research organisations hosting third-country national researchers and on the hosting agreement –* ***provided the researcher holds a residence permit for the purpose of research.***

(2) The **employment contract** concluded between the researcher and the research organisation **may not contradict the hosting agreement**. If, at the same time as the commencement of the research activity, the University also intends to conclude an employment contract with the researcher effective from the same date, the procedure set out in Section V must be followed: in this case, the relevant organisational unit prepares the hosting agreement, while the DHRM prepares the preliminary employment agreement on the basis of the valid letter of appointment, and the two documents are signed simultaneously. The employer **is not required to have a registered labour demand**. **If no employment relationship is established, no letter of appointment is required**.

IV.II. Rules of procedure for the preparation of the hosting agreement for researchers

(1) The University of Pannonia, as a higher education institution whose core activity includes research and development, is an **accredited research organisation authorised to host third-country national researchers**, holding research organisation accreditation issued by the National Research, Development and Innovation Office (hereinafter: "**NRDIO**"). Accordingly, on the basis of Government Decree 181/2007 (VII. 6.) and the TCNAct, the University of Pannonia, as a research organisation, may conclude a hosting agreement with a third-country national researcher who intends to reside in the territory of Hungary for the purpose of conducting scientific research. In such cases, the third-country national **applies for a residence permit for the purpose of research**.

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[4] **Researcher**: a third-country national who holds a **doctoral degree** or an appropriate **higher education qualification [at least a master's degree]** that entitles the individual to participate in doctoral training, who has been selected by an accredited research organisation to carry out a research program for which such qualification is generally required, and who has entered and resides in the territory of a Member State.
At the University of Pannonia, the list of **research positions** that may be established and the specific requirements for filling them can be found in the Employment Requirement System, in the case of the establishment of an employment relationship.
Research: creative work carried out systematically with the aim of increasing knowledge, including the expansion of cultural, social, natural science and technical knowledge, as well as the development of the use of such knowledge for new applications.
Research program: a plan containing the schedule of the research, for the implementation of which the accredited research organisation concludes a hosting agreement with the researcher.

(2) The validity period of the **residence permit for the purpose of research** is at least one year but **not more than two years**. However, if the validity period of the hosting agreement is shorter than one year, the permit shall correspond to that period. The residence permit for research purposes may be extended, each time for a period corresponding to the validity of the hosting agreement, but for a maximum of two years.

(3) Pursuant to Articles 12–14 of Government Decree 181/2007 (VII. 6.), the accredited research organisation **shall conclude a written hosting agreement with the researcher**, under which the researcher undertakes to carry out the research program, and the research organisation undertakes to host the researcher for this purpose. The applicant research organisation must undertake to reimburse the costs related to the researcher's expulsion if the researcher remains in Hungary beyond the authorised period of residence and does not have the necessary financial means. The hosting agreement must include:
   a) the rights and obligations of the researcher and the accredited research organisation,
   b) information on the researcher's planned entry into one or more Member States under mobility, if known at the time of concluding the hosting agreement,
   c) the subject matter, purpose and schedule of the research,
   d) the extent of teaching activity permitted alongside research, which may not exceed one-fifth of the researcher's working time,
   e) the term of the hosting agreement,
   f) the cases in which the hosting agreement is terminated.

(4) The hosting agreement must be prepared in the language used during the research and – if this differs from Hungarian – also in Hungarian. The costs of any official translation shall be borne by the accredited research organisation (the relevant organisational unit).

(5) In the case of the University of Pannonia as an accredited research organisation, the **hosting agreement[5] is prepared by the head of the competent organisational unit (in the form of a bilingual Hungarian-English document) in at least four copies** (researcher – DHRM – NRDIO – NDGAP),
   a) which is sent, signed by the Dean or Director General, for review to the head of the DHRM (together with a copy of the foreign national's valid passport),
   b) the head of the DHRM forwards it for legal approval to the Head of the Directorate for Legal Affairs and Procurement,
   c) thereafter, the DHRM submits the agreement for signature by the Rector and the Chancellor,
   d) following authorisation, the DHRM arranges for the hosting agreement to be signed by the third-country national researcher.

(6) The accredited research organisation's **competent organisational unit shall immediately notify the Head of the DHRM** about the **conclusion and termination** of the hosting agreement, **who shall immediately inform** the NRDIO and the NDGAP. If the hosting agreement is terminated by either party, the termination document must be submitted at the time of notification of termination. The organisational unit shall immediately inform the DHRM of any event that prevents the fulfilment of the hosting agreement.

[5] In the case of concluding a hosting agreement, **the mandatory Hungarian-English bilingual template** can be found on the University's website **among the documents of the Directorate of Human Resources Management**: "Hosting Agreement Between an Accredited Research Organisation and a Third-Country Researcher."

V. Rules of procedure for hosting third-country nationals in the case of employment requiring a permit

(1) **In the case of establishing an employment relatinship requiring a permit, the head of the relevant organisational unit of the University shall indicate the intention to employ a third-country national in a 'letter of appointment' at least 90 days before the expected starting date of employment, for the purpose of establishing employment for a minimum of 6 months** – taking into account the other rules of the Employment Requirement System concerning the establishment of an employment relationship, which are also applicable in the case of foreign nationals. **The initiation of the letter of appointment must take place as early as possible,** since the length of the process essentially **depends on the administrative processing time of the authorities. In addition to the mandatory information specified in the letter of appointment, the following data must be provided to the DHRM:**

a) a copy of the valid passport of the third-country national to be employed; mother's name (and, if already available: Hungarian tax identification number, social security number, Hungarian accommodation address),
b) the qualification(s) or degree(s) required for filling the position,
c) the skills, competencies and knowledge required for filling the position.

(2) Based on the above data, the DHRM shall submit the **labour demand** to the competent authority. In the labour demand, the DHRM must specify, based on the data provided by the relevant organisational unit and contained in the valid letter of appointment, for which employer, with what remuneration, for what activity, under which NACE code, and for what period the prospective employee may be employed.

(3) The **certificate issued regarding the valid labour demand** shall be forwarded by the DHRM to the third-country national, **together with a preliminary agreement on employment**.

(4) The third-country national shall submit the **application for a residence permit** corresponding to the purpose of entry to and stay in Hungary (based on the documents forwarded by the organisational unit) at the **consulate** operating in the country of his or her nationality, or in the country of his or her permanent or habitual residence, by presenting a valid travel document. The issuance of a **visa** entitling the person to collect the residence permit may be requested by the third-country national in his or her application for a residence permit prior to entry, without the need for submitting a separate application for this purpose.

(5) **Documents to be submitted with the application for a residence permit** (remediation of deficiencies is possible, this is not an exhaustive list):

a) certificate of valid labour demand notification → as a general rule, not required in the case of a residence permit for the purpose of research,
b) hosting agreement (in the case of a residence permit for the purpose of research),
c) preliminary agreement for the establishment of an employment relationship,
d) certified copies and certified translations (with authentication clause)[6] of documents certifying qualifications, educational attainment relevant to the position,
e) copy of the recognition (nostrification) certificate of academic degree,
f) proof of accommodation (verification of Hungarian address),
g) certificate of Hungarian social security number and tax identification number (if already available),
h) travel document and/or identity card (copy of all pages; the travel document must be valid for at least three months beyond the permitted stay),

[6] An "**authentication clause**" may be obtained in the form of an Apostille certificate (https://www.hcch.net/en/states/hcch-members) or diplomatic legalisation (https://www.hcch.net/en/instruments/conventions/authorities1/?cid=41), depending on whether the given country is a member of the Apostille Convention. **Certified copies and translations** are prepared by the Országos Fordító és Fordításhitelesítő Iroda Zrt. (Hungarian Office for Translation and Attestation Ltd.) (hereinafter: "**OFFI**"): https://www.offi.hu/

i) proof of financial resources,
j) completed and signed application form,
k) passport photograph.

(6) If the regional directorate grants the application for the issuance of a residence permit, in the case of submission through a foreign mission, it simultaneously **authorises the issuance of a visa** entitling the applicant to collect the residence permit, **which is issued by the consular officer**.

(7) With a valid visa (which entitles entry for the purpose of collecting the permit and a stay of up to thirty days, but not to work), the third-country national enters Hungary and must immediately appear at the competent immigration authority.

(8) At the same time, a social security card and tax identification number must be applied for on behalf of the third-country national – if they do not already have them.

(9) The establishment of the legal relationship may take place only once the residence permit and all identification documents required for employment in Hungary have been obtained, and in the case of employment, only after a personal recruitment procedure conducted by the DHRM. **The preliminary agreement for employment, the registered labour demand and the final employment contract concluded at the end of the process must all be consistent throughout the entire duration of the authorised stay.**

(10) In the case of residence permit types defined by law, if the **employment relationship is terminated before the planned period expires**, the employee is obliged to leave the territory of Hungary within six days following the termination of the employment relationship, and their residence permit becomes invalid. The employee is required to purchase their **flight ticket** in advance at their own expense and to send a copy of the ticket to the DHRM.

VI. Other rules for establishing an employment relationship and the main cases of employment without a permit

(1) The Department of Facility Management and Security provides **safety training** for every foreign national employed by the University (including those under a host agreement for research activities) in a language understood by the foreign national. Additionally, if the foreign national does not speak Hungarian, the organisational unit hosting the foreign national must provide information **about relevant university regulations and their content**, in a language understood by the foreign national, regarding the activities they will perform at the University.

(2) **A third-country national without a valid consolidated residence permit – except in cases defined by law – may not perform any work at the University of Pannonia, nor be employed; otherwise, the University may face fines, and the foreign national may be subject to immigration procedures (expulsion). The foreign national must submit the application for extension of their residence permit to the NDGAP at least 30 days before the expiration of their current residence authorisation.**

(3) **If a third-country national is legally exempt from the permit requirement, this must be demonstrated by the foreign national with the original certificate(s) presented to the DHRM before establishing the employment relationship.**

(4) Pursuant to the Recognition Act, simultaneously with immigration procedures, the responsible organisational unit must ensure **recognition of the relevant diploma level and qualifications for the position**, the costs of which (with payroll approval) are covered by the University (up to a total of HUF 60,000 per diploma). The recognition application must be submitted to the Hungarian

Equivalence and Information Center of the Educational Authority[7].

(5) Article 15 of Government Decree 445/2013 (XI. 28.) defines cases in which a third-country national does not require a separate permit to be employed in Hungary. Permit-free employment can be established under an employment contract or assignment agreement – each case must be assessed individually (form of employment), and this assessment is within the competence of the DHRM in cooperation with the authorities.

VII. Information related to taxation, contribution payment and payroll accounting

(1) Pursuant to Section (1) of Article 32 of Act CL of 2017 on the Rules of Taxation, a natural person who does not pursue business activities, does not perform activities subject to value-added tax, and does not yet have a tax identification number, must notify the National Tax and Customs Authority of their personal identification data in writing on the designated form prior to acquiring income subject to income tax or applying for budgetary support. Based on this notification, the tax authority will immediately assign a tax identification number to the natural person and **issue an official certificate (tax card) within fifteen days**.

(2) The tax identification number is not linked to nationality; therefore, **non-Hungarian citizens must also obtain a Hungarian tax identification number** if they earn income in Hungary subject to personal income tax. Furthermore, due to the integration of contribution collection, the registration of an individual's contribution payment obligations is also carried out under the tax identification number, as with any other tax obligation.

(3) Based on Regulation (EC) No 883/2004, in cases where work is carried out in several EEA Member States, the obligation to pay social security contributions must be determined according to the rules on parallel activities, which **can be certified with an A1 or S1 form**. The foreign national can obtain the form from their home country's health insurance provider or the relevant authority.

a) If the **EEA citizen** cannot apply for an A1 or S1 form because they are not insured in any EU Member State, then they become insured in Hungary. In this case, social security contributions must be deducted in Hungary, and the individual must also obtain a Hungarian social security number.
b) **For non-EEA citizens,** contributions must be deducted in Hungary (as they cannot apply for an A1 or S1 form), and they must obtain a Hungarian social security number in all cases when they become insured.

(4) **For employees, before the expiry of the validity of the A1 or S1 form, the employee must apply for a new certificate from the competent authority, which must be submitted to the DHRM before the expiration of the previous one. In the case of engagement contracts, every contract must be accompanied by a valid A1 or S1 form.**

(5) **Salaries and contract fees** are paid either **by bank transfer** to the beneficiary's bank account or by postal delivery to a Hungarian address. Transfers to foreign bank accounts are possible through the Directorate of Economic Affairs. The payment order for this is forwarded to the Directorate of Economic Affairs by the DHRM in the case of salaries, and by the contracting organisational unit in the case of contract fees. After payroll accounting, the DHRM informs the organisational unit of the net amount to be transferred for assignment fees in the form of a payslip.

(6) **A foreign national may only receive payment** or perform work for the University if, **before the employment relationship is established, the DHRM has an original copy of the employment or assignment contract signed by all parties** (as is also required by law for Hungarian employees). By law, the employer is obliged to immediately report the establishment of the employment relationship of foreign nationals to the competent authorities. The DHRM can only fulfil this **reporting obligation** if it has an original copy of the contract signed by all parties, as well as copies of the employee's/contractor's residence permit and valid passport.

[7] Further information: https://www.oktatas.hu/kepesitesek_elismertetese/kulfoldon_szerzett_oklevelek/felsofoku_oklevel

VIII. Summary of documents to be presented <u>before employment</u>

(1) For foreign nationals, **prior to commencing employment** (in addition to other generally required certificates and documents), the following **original documents** must be presented to the DHRM:

a) **For EEA citizens**:
   i. tax identification number,
   ii. social security number,
   iii. A1 or S1 form,
   iv. proof of Hungarian address,
   v. registration certificate (card),
   vi. passport,
   vii. document(s) certifying qualifications and educational attainment relevant to the position, together with their certified translation (with authentication clause prior to translation, in the case of a diploma obtained abroad),
   viii. academic degree and certificate of recognition (in the case of a diploma obtained abroad)[8],
   ix. Hungarian official certificate of good conduct (not older than 3 months),
   x. in case of additional employment: certification of working hours, position, and existing work obligations (in English or Hungarian).

b) **For third-country nationals:**
   i. official residence permit,
   ii. tax identification number,
   iii. social security number,
   iv. proof of Hungarian accommodation,
   v. passport,
   vi. document(s) certifying qualifications and educational attainment relevant to the position, together with their certified translation (with authentication clause prior to translation, in the case of a diploma obtained abroad)
   vii. academic degree and certificate of recognition (in the case of a diploma obtained abroad)[6],
   viii. Hungarian official certificate of good conduct (not older than 3 months).

IX. Final provisions

(1) In the case of hosting foreign nationals, the procedure set out in this Directive shall be followed. Compliance with the provisions of this Directive is the responsibility of all employees and managers.

(2) This Joint Directive of the Rector and the Chancellor shall enter into force on the date of its promulgation and shall remain valid until revoked. Upon its entry into force, Joint Directive No. 1/2023 (I.02.) of the Rector and the Chancellor shall cease to be valid.

Dated in Veszprém, on 22nd November 2024

Dr. János Abonyi m.p.	Zsolt Csillag m.p.
Rector	Chancellor

<u>Person responsible for the maintenance of this Directive</u>: Head of the Directorate of Human Resources Management

<u>Annex</u>:
Annex 1: *Summary of the Detailed Rules on the Employment of Foreign Nationals*

8 **In the case of a scientific degree obtained abroad**, recognition (nostrification) is mandatory under the Act on Recognition.