

# Foreign employers with Hungarian employees (Payroll service)

Would you hire a Hungarian employee as a foreign employer? Are you planning remote work? Would you like to receive expert support in fulfilling the obligations related to the Hungarian employment relationship?

## **Who are concerned?**

For foreign companies that want to employ Hungarian workers, but do not want to set up a subsidiary or branch office in Hungary.

## **What obligations must the foreign employer comply with in Hungary?**

- Notification obligation related to the legal relationship with an insurance obligation
- Obligation to deduct, pay and declare social security contributions
- Obligation to pay and declare social contribution tax

As a general rule, Hungarian employees are insured in Hungary, this is also the case if they are employed by an employer registered in a foreign country. The foreign employer is obliged to apply for a technical tax ID number in Hungary in order that the employer could pay the 18.5% social security contributions (employee part) and the 13% social contribution tax (employer's part).

The electronic declaration and payment obligations related to the social security contribution and the social contribution tax must be completed monthly, by the 12th of the month following the month in question, while the personal income tax advance payment must be made quarterly, by the 12th of the month following the quarter, to the Hungarian Tax Authority.

### How we could assist the foreign employer in this process?

- We provide assistance in registering with the Hungarian Tax Authorities and reporting the employee
- We prepare the calculation of monthly tax and contribution obligations
- We prepare and submit the necessary monthly payroll returns electronically on behalf of the foreign employer based on authorization,
- For the transfer of tax and contribution obligations, we send a detailed transfer document to the foreign employer
- We prepare a monthly payment list of the employee's salary and the deducted taxes and contributions
- We regularly check the tax current account of both the foreign employer and the employee in order to make sure that the returns and transfers have been completed successfully

### Are you interested in? Our experts will be pleased to assist you!



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