

Tax advance declaration for claiming the allowance of mothers raising four or more children

Year of submission of the statement:

(Before completing the form please read the guide for the declaration)

I. The private individual making the declaration

Modified declaration:

name:

tax identification code:

1. child name

tax identification code

place and date of birth

Mother's name

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Mark with an x if you continue the list of children on a separate page.

2. I declare that I am eligible for the allowance of mothers raising four or more children and intend to claim it.

3. I declare that I am ultimately eligible for the allowance of mothers raising four or more children.

4. I declare that I do not intend to claim the allowance of mothers raising four or more children from **month (neither for this month).**

Date:

Signature of the private individual making the declaration:

III. Employer (payer) of the private individual listed in Block I

name: tax number:

I have acknowledged the content of the declaration. I shall establish the private individual's tax advance in accordance with the declaration in Block I.

Date:.....

Official signature

Guide

for the tax advance declaration for claiming the allowance of mothers raising four or more children

Do you know that you can also submit your tax advance statement in the Online Form Filling Application (ONYA)?

This is the easiest way to submit your tax advance statement, as the NTCA

- will pre-populate the statement with your personal data available and the data from previous statements,
- forward the completed statement electronically to the employer or payer you have specified.

The statement you filled in on the ONYA interface is stored by NTCA, so it can be edited, modified and resubmitted if necessary.

ONYA can be accessed on the NTCA website through the client gate, if you are registered therein.

If you request your employer or payer to deduct the tax advance from your remuneration, applying the allowance of mothers raising four or more children, complete two copies of this declaration and present it to your employer or payer! A tax advance declaration can be presented not only to an employer, but also to a payer who provides you an income that is subject to aggregation.

Employer who pays salaries or, in the case of a member who personally contributes to the activities of the partnership, the partnership. Salaries include wages, but also taxable social security benefits, such as childcare allowances, so the declaration can be made in this case too.

Payer is a contractor (principal) who provides the individual with **regular income subject to aggregation**, such as monthly or weekly wages, salaries, fees, consideration for personal contributions or other benefits under a contract of engagement.

The employer, the payer, takes the declaration into account within the tax year, for payments mad after its submission. If the information provided in the declaration changes, **you must make a new declaration immediately** - you must mark this with an X in the upper right corner of Block I (“**Modified declaration**” code box). If you change your employer during the year and make a new declaration, **it is not considered as a modified declaration**.

One copy of the declaration must be kept by the employer (payer) and you should keep the other copy, together with the documents required for the preparation of the tax return, within the term of limitation, i.e., until the end of the 5th year following the year of submitting the return.

If you claim allowance of mothers raising four or more children without a legal basis, and thus a payment obligation exceeding HUF 10,000 arises in your tax return, i.e. tax arrears, you must pay 12 per cent of that as a difference-penalty together with your tax arrears.

Conditions for claiming the allowance

A mother raising four or more children is a woman who, as a blood or adoptive parent, based on at least four children raised by her:

- a) is eligible for family allowance or
- b) is no longer eligible for family allowance but has been eligible for at least 12 years,
- c) is no longer eligible for family allowance as eligibility for the family allowance has ceased due to the death of the child.

A child who is receiving care in a social institution as a disabled person shall also be considered a child within the meaning of point (a), the mother shall not be eligible for the family allowance, but the child shall be taken into account in determining the amount of the family allowance to which the mother is entitled.

A child within the meaning of point (b) shall be considered to be a child in respect of whom the mother or the head of the social institution is no longer entitled to family allowances but for at least 12 years either or both of these two persons have been entitled to family allowances, provided that the conditions set out in the preceding sentence have been met during the period of entitlement to family allowances for the head of the social institution.

As an example, a mother raising four or more children is a woman who:

- raises children aged 3, 6, 9 and 12 in her own household;
- gave birth to four children and has raised three (now adults), and one died as a young child;
- gave birth to five children; the parents divorced when the two eldest children were 16 and 14 years old, the three younger children remained with the mother, the two eldest went to the father;
- gave birth and raised three children: the eldest works, moved out from home, the middle one is student, the third attends a secondary school, and previously adopted a 3-year-old girl who moved away from the parental home at the age of 22.

A woman raising four or more children is not considered to be a woman who:

- gave birth to four children, but at the time of the divorce the 10-year-old daughter went to the father;
- is raising four minor children with her second husband, two of her own, two of her husband's (unless she adopted her husband's children).

The allowance of mothers raising four or more children can be claimed according to the statutory regulations for the following income:

- income from employment and other non-self-employed activities, in particular:
 - income from employment, public employment,
 - taxable social security benefits (for example: sick pay, infant care benefit, child care benefit),
 - taxable benefits paid under the Act on Social Administration and Social Welfare Benefits,
 - jobseeker's allowance, jobseeker's benefit, salary supplement and earnings-related allowance paid under the Employment Promotion and Unemployment Benefits Act,
 - the income of an individual performing reserve military service at the Hungarian Armed Forces from this legal relationship,
 - compensation for income as defined above (income compensation benefit),
 - remuneration for activities performed in the employment relationship of a foster parent,
 - severance pay paid due to termination of employment, but the part of the severance pay exceeding the amount specified by law is not included in the base of the allowance,
 - income paid in return for the personal contribution of a private member of a business partnership,
 - the allowance granted in respect of the activities of an executive officer of a business association,
 - an allowance received in return for the activities of an official elected or appointed by law (e.g., a member of the board of directors, a member of the supervisory board),
 - income from non-self-employment under an international agreement, or, in the absence of that, income from employment under the law of that State,
 - income of members of parliament, ethnic minority advocates, mayors from this activity,
 - income from the state project appraisal relationship.
- Of the income from self-employment:
 - the entrepreneurial withdrawal of private entrepreneurs applying taxation on entrepreneurial income; in the case of flat-rate taxation, on the income determined at a flat rate,
 - the income of small-scale farmers from this activity,
 - the income of a Member of the European Parliament from that activity,
 - the income of the local government representative from that activity,
 - the income of the selected auditor from this activity,

- income from activities of a private individual from activities pursued for a fee under another contract for work, not concluded as a private entrepreneur, e.g., income from a contract of engagement.

Entitlement for the allowance **begins** on the first day of the month in which you first become a **mother raising four or more children**.

Entitlement for the allowance ends on the last day of the month in which you qualify as a mother raising four or more children at least for one day.

For example, a couple raises four children who are 3, 6, 9, and 12 years old. The parents get divorced in June and the two older children stay with their father. In this case, the mother is last considered to be a mother raising four or more children in June, so when completing the tax advance declaration, July must be marked as the month in which entitlement ceases.

The **allowance of mothers raising four or more children** is applied by the employer and the payer before all other allowances. This means that you will not be able to claim the allowance for young couples in first marriage, the family allowance and the personal allowance on the above income, but there is nothing to stop you claiming a **family contribution allowance** in connection with your wage income.

In order for you to be able to claim also the family contribution allowance, you must also complete and submit to your employer a tax advance declaration for the family allowance. You should do the same if you have income within the aggregated tax base for which you cannot claim the allowance of mothers raising four or more children, but you can claim the family allowance or family contribution allowance.

If you and your spouse jointly claim a family allowance or a contribution allowance, please also take into account the effect of joint claiming on the allowance when making your declaration. To avoid a possible year-end refund obligation, we recommend you to consult the family allowance example guide and calculators available at www.nav.gov.hu.

You can find more information about the allowance on the NTCA website (www.nav.gov.hu) in Information Booklet no. 73 titled "Personal income tax - tax base allowances". (This is available in Hungarian only.)

Completing the tax advance declaration

For Block I: In this block, you declare to your employer that you intend to claim the allowance of mothers raising four or more children

In **section 1** you need to indicate the name and tax identification code of the children eligible for the allowance. **The employer or payer can only apply the allowance if you provide the data of at least 4 children!** If your child does not have a tax identification code, provide their place of birth, time, and mother's name, even if it is the same as your name.

In **section 2**, you declare that you are eligible for and wish to claim the allowance of mothers raising four or more children.

Additional conditions for claiming the allowance

You can only claim allowance of mothers raising four or more children under Act CXVII of 1995 on Personal Income Tax, **if – you have not received or are not receiving** the same or a similar **allowance** for the same period **in another state**, where your income from self-employment and not from self-employment, pension and other similar income from previous employment is taxable – under the provisions of international double taxation conventions.

A foreign tax resident private individual can claim the allowance in Hungary only if **75%** of all their income earned in the tax year, including income that is not taxable in Hungary, **is taxed in Hungary**. The total income earned in a tax year includes income from self-employment and non-self-employment, including in particular entrepreneurial income and the entrepreneurial dividend base or flat tax base, as well as pensions and other similar income from previous employment, regardless of the country in which they are taxable.

If you are a foreign tax resident, you must also complete the declaration titled “Supplementary declaration for foreign tax resident private individuals for claiming tax base allowance” and give it to the employer or to the payer providing regular income in order to claim the family allowance. The tax identification code must also be entered in this case!

In section 3, please indicate if your eligibility is definitive.

If you notify your employer or regular income provider that you are ultimately entitled to the allowance, you do not need to make a new declaration in subsequent years, the employer or payer will take it into account without any further declaration.

Eligibility for the allowance becomes definitive if the beneficiary has been eligible for family allowances for at least 12 years in respect of four of the children, including where the eligibility for family allowances ceases due to the death of the child.

Fill in **section 4** if you **no longer wish to claim** the allowance of mothers raising four or more children.

Then mark the code of the “Modified declaration” with an X and indicate the month in which you no longer wish to claim the allowance. If you complete this section, you do not need to complete sections 1 and 2.

For Block II: this block must be completed by your employer or payer.