

Guide

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

What you need to know about the declaration

Who should this declaration be given to?

For your employer or payer to consider the allowance for mothers raising four or more children on your statutory income when calculating your tax advances, you must give them two copies of this declaration.

One copy of the declaration must be kept by the employer (payer) and the other by you until the end of the 5th year following the year in which the tax return is filed.

The tax advance declaration can be given not only to employers, but also to payers who provide you with income subject to consolidation into the tax base.

The employer or payer will take the declaration into account for payments made after delivery of the declaration within the tax year or on an ongoing basis if so requested.

From 2024 onwards, every mother raising four or more children now can ask the employer or payer to take the tax advance declaration into account on a continuous basis until the tax advance declaration is withdrawn (declaration of ongoing effect), this must be specified in point 3. No new declaration is then required for the following year(s).

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.

Who gets 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, too, 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).

If you no longer wish to claim the allowance for mothers raising four or more children (for example, because you no longer qualify for the allowance), you will need to specify this in line 4.

What income is involved?

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, pre-retirement jobseeker's benefit, jobseeker's benefit, salary supplement and earnings-related allowance, benefit to encourage job seeking 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),
 - activities carried out in the framework of a contract for the Hungarian Presidency of the Council of the European Union in the second half of 2024,
 - 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 - even for just one day - 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.

How can several personal income tax allowances be claimed at the same time?

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 no obstacle for you to claim a **family contribution allowance** for your wage income.

For you to be able to claim the family contribution allowance too, 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 to account for within the consolidated tax base for which you cannot claim the allowance of mothers raising four or more children, but you can claim the personal allowance, the allowance for young couples in first marriage, the family allowance, or the family contribution allowance.

What to do when data change?

If the information provided in the declaration changes, **you are required to make a new declaration without delay** - you will have to mark this with an X in the code box labelled "**Modified declaration**" in the top right-hand corner of the declaration.

If you change employer over the year and make a new declaration, this is not considered a modified declaration.

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.)

Under what conditions can a foreign individual claim the allowance?

You can only claim the allowance of mothers raising four or more children, **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, from non-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, person providing income or payer providing regular income to claim the personal allowance. The tax identification code shall also be entered in this case.

Completing the tax advance declaration

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 specify 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.

In **section 3**, you should specify if you are making a declaration of ongoing effect, i.e., if you want your employer or payer to take your declaration into account on an ongoing basis until you request that it should be disregarded. A mother raising four or more children can also request that the declaration be considered beyond the tax year whose eligibility is not definitive.

Fill in **section 4** if you **no longer wish to claim** the allowance of mothers raising four or more children. Then please mark the codebox of the “Modified declaration” with an X and specify 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.

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