Self-Employment in Hungary

Eleven percent of Hungarians are self-employed compared to an EU average of 17 percent. The level of self-employment has been falling in Hungary in recent decades. Self-employed people pay the same social security contributions as employed workers; 8.5 percent of total gross earnings. However, they lose up to 21 percent gross income in additional contributions made by their employer. The majority only pay contributions in line with the minimum wage, which limits the value of their future benefits. Reforms in 2006 aimed to boost the retirement contribution levels among the self-employed. Tax benefits on pension contributions only apply to those who pay personal income tax so self-employed workers saving into the so-called simplified tax scheme for employed entrepreneurs, may miss out. Today, only around half (49 percent) of the Hungarian self-employed associate positive words with retirement (compared to 66 percent globally). They feel personally responsible for making sure that they have sufficient income in retirement (71 percent); however, only 55 percent say that they are aware of the need to plan financially for retirement. Although 39 percent of the Hungarian self-employed say that their retirement planning is well developed, only 26 percent are saving habitually for retirement, compared to 34 percent globally.

Key country indicators

- **10.9%** of workers are self-employed
- **66%** of self-employed are men
- **63 years** official retirement age (when full entitlements are payable)

Profile of Hungarian self-employed

- **$5.2k** median personal income
- **85%** cite positive reasons for becoming self-employed
- **86%** are sole-proprietors
- **12%** will sell their business to prepare for retirement

What attitudes and expectations do the self-employed hold toward retirement?

- Confident you will be able to fully retire with a lifestyle you consider comfortable
  - Hungary: **23%**
  - Global: **26%**

- Proportion that expect to retire at over 65 (includes never)
  - Hungary: **36%**
  - Global: **40%**

- Envision a flexible transition to retirement
  - Hungary: **75%**
  - Global: **69%**

How are the self-employed planning and saving for retirement?

- Habitual savers
  - Hungary: **26%**
  - Global: **34%**

- Have a written retirement strategy
  - Hungary: **9%**
  - Global: **13%**

- Have a backup plan
  - Hungary: **41%**
  - Global: **38%**
This country profile is part of the report “Retirement Preparations in a New Age of Self-Employment” and contains research findings from the fifth annual Aegon Retirement Readiness Survey. To read the full report and view videos and infographics, please visit: [aegon.com/Self-Employed](http://aegon.com/Self-Employed)

Sources:

**Aegon Center for Longevity and Retirement**
The Aegon Center for Longevity and Retirement (ACLR) is a collaboration of experts assembled by Aegon with representation from Europe, the Americas, and Asia. ACLR’s mission is to conduct research, educate the public, and inform a global dialogue on trends issues, and opportunities surrounding longevity, population aging, and retirement security.

[www.aegon.com/thecenter](http://www.aegon.com/thecenter)

**Transamerica Center for Retirement Studies®**
The Transamerica Center for Retirement Studies (TCRS) is a division of the Transamerica Institute, a non-profit, private foundation. TCRS is dedicated to conducting research and educating the American public on trends, issues, and opportunities related to saving, planning for, and achieving financial security in retirement. Transamerica Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties. TCRS and its representatives cannot give ERISA, tax, investment or legal advice.

[www.transamericacenter.org](http://www.transamericacenter.org)

**Disclaimer**
This report contains general information only and does not constitute a solicitation or offer. No rights can be derived from this report. Aegon, its partners and any of their affiliates or employees do not guarantee, warrant or represent the accuracy or completeness of the information contained in the report.

**Contact information**

**Headquarters Aegon N.V.**
Strategy & Sustainability
Mike Mansfield
Manager Retirement Studies
Telephone: +31 70 344 82 64
Email: mike.mansfield@aegon.com
[www.aegon.com/thecenter](http://www.aegon.com/thecenter)

**Media relations**
Telephone: +31 70 344 89 56
Email: gcc@aegon.com