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The recently introduced elements of the family support system are popular

Despite the current difficult economic situation caused by the Brussels sanctions, the government does not renounce its core values, protects family support measures and has even further expanded them from 1 January 2023. The recently introduced elements are considered important and useful by Hungarians, according to the latest research of the Mária Kopp Institute for Demography and Families (KINCS). According to the survey, four out of five people say that the PIT exemption of mothers under the age of 30 and the waiving of their student loans are of great help to families, and there is almost unanimous support for the additional family tax allowance for children with long-term conditions or severe disabilities.

Since January this year, the amount of a number of family support measures has further increased, and in addition to extending many existing programs, the Hungarian family support system has been expanded with new opportunities. The government has extended the scope of personal income tax exemption from 1 January 2023: in addition to mothers with four or more children and young people under the age of 25, mothers who decide to have children before the age of 30 will also benefit from this possibility besides their student loans being waived. As of January 2023, pensions have been increased significantly, as the tax allowance for children with long-term illness or severe disabilities, the amount of the language exam support and the interest on the baby bond, while, among others, the baby expecting subsidy and the Village Home Subsidy are still available.

According to a nationwide representative survey of 1,000 people conducted by KINCS in February, Hungarians are well informed about new measures affecting families: two-thirds (64%) of people have heard about them. Women, children and the elderly are the most informed.

The popularity of the incentives is also shown by the application data: among the new measures, more than three thousand women have already benefited from the possibility of PIT exemption of mothers under the age of 30. This means an average of HUF 52,000 extra income per month for those affected, which can be deducted from work income and family support benefits (CSED, GYED). Since 2018, more than ten thousand persons have benefited from student loan waivers related to childbearing, and applications for student loan waivers for mothers under the age of 30 are being submitted continuously: since January, more than half a hundred loans have been cancelled, according to data from the Student Loan Center. As of January this year, the additional tax allowance for families of children with long-term conditions or severe disabilities has already been claimed in more than 26,000 cases.



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Since 1 January this year, around 3,500 new families have applied for the baby expecting subsidy, meaning that more than 210 thousand families have taken advantage of the opportunity since its introduction in 2019. Along with the new applications, the Village Home Subsidy has already been claimed in almost 36 thousand cases. The VAT refund for general construction and new apartment purchases, also extended from 1 January has been claimed in 14 thousand cases since being available. The VAT refund for own constructions up to HUF 5 million has been claimed in almost 18 thousand cases.

Overall, the family policy measures introduced or extended in January have become widely known over this short period of time and the number of recipients is gradually increasing.

