

LABOUR CONTRACT CANCELLATION IN HUNGARY

JÁCINT FERENCZ

Faculty of Law, Széchenyi University

LÁSZLÓ PARDAVI

Key words:

Termination of labor contracts, labour law, ordinary cancellation, extraordinary cancellation

Resume

The essay is introducing the Hungarian cancellation of contract in the field of labour law. Due to the fact of market economy (after 1989) it became more and more important not only the static (content) of a labour contract, but also its dynamic (establishing, cancellation) – not only for employees, but also for employers.

The beginning of the essay shows the reader, that the historical evolution of the so called “modern” labour law began for 20 years before. It started with passing the law about stoppage of work, which was not only important from a labour law perspective, but it meant also a symbolic act of democracy.

This was followed with the creation the basic law material concerning labour law in 1992. Basically, in Hungary, there are 3 documents (laws) which are regulating labour relationships: two laws dealing with the status labour law relations in public service and one for the labour law relations in the private sphere. The essay is concerned with the last mentioned area – the termination of labor contracts in the private sphere. A part of the work is dealing with the termination of a labor contract based on agreement, which has to be also “formalized” – it has to be done in written form, while the intent of both sides contractual sides has to be clear and without any doubts.

In the case of one-sided (unilateral) rescission of a contract, one can speak about the so called “notice of cancellation or resignation”. A general picture of unilateral cancellation models in the modern western countries is drawn, while it is stated, that the Hungarian model belongs to the fixed systems. This means, that an ordinary one sided contract cancellation is allowed

only based on fixed reasons, while the extraordinary – e.g. immediate (instant, hour-notice) cancellation is allowed only in exceptional cases based on exceptional reasons.

The cancellation of a labor contract has to be done exclusively in written form only. In the case of an ordinary labour contract cancellation emerges the question of the term of cancellation. Generally this term is 30 days long, while it can be raised to 90 days, depending on the years spent at one employer, however the term of cancellation can be also longer, depending on a bilateral agreement, but it never may not be longer than one year.

The ordinary cancellation from the employers side has to be always reasoned, and there are also some requirements concerning the content of the cancellation. In terms of a decision no. 95. of the Hungarian Supreme Court (MK 95.) a cancellation is legally conform only when it is clear, real (existing reason) and well reasoned. On the other hand, the employees ordinary resignation has not to be reasoned. In the end of the essay is the legal institute of extraordinary cancellation described.

Contact: dr.ferencz@vipmail.hu