

Student jobs and employment through the agency of school cooperatives (Part Two)

Although general labour rules essentially apply to student jobs, the special elements set out in the legislation trigger the need for future employers to be familiar with the regulatory environment at any event. You read the second part of the two-part summary written by a legal expert of Kovács Réti Szegheő Law Firm, dr. Balázs Korim.

Employment relationship can be established for a fixed term between a school cooperative and its members, full-time students in order to perform services to third parties, being the recipient of the service.

Within this extensively widespread form of employment, students establish a membership and an employment relationship with a school cooperative for the sake of job opportunities. Within the framework of this legal relationship, the recipient of the services is the business where the students will carry out his work and which can give instructions to the employees – the legal expert of Kovács Réti Szegheő Law Firm describes.

Rights and obligations

In the event of such legal relationship whose aim is to establish employment, the recipient of the services exercises and fulfils the rights and obligations due to employers associated with occupational safety, employment of women, young workers and disabled workers, working time, rest period and relevant records.

For the duration of work to be performed for the recipient of the services, the essential working and employment conditions applicable to the workers employed by the recipient of the services must be provided for the employees of school cooperatives.

Dr. Balázs Korim highlights: the employer and the recipient of the services will jointly and severally be liable for the fulfilment of this obligation as well as for any damage caused to the employees during their work performed for the recipient of the services, or for the infringement of their rights relating to personality.

If employed through the agency of school cooperatives, the employment of students will terminate on the date of termination of their membership.

Obligation to pay wages and taxes

Under a contract aimed at establishing employment, the employer is required to employ the employee and to pay a wage for the work performed. As a general rule, the wage must be freely agreed between the parties. However, the rules governing the minimum wage and the guaranteed minimum pay shall be applied to the minimum amount of such wage, as appropriate.

This minimum amount applies to the full working time of eight hours per day. If employed in part time, the *pro rata temporis* portion thereof must be paid.

If students are employed within the framework of employment contracts, their income must be determined in accordance with the provisions of the Act on Personal Income Tax. The rules pertaining



to self-employment must be applied to any income received under agency contracts, meaning for example that the costs incurred are eligible.

Contributions, social contribution tax and vocational training levy must be paid for the incomes stemming from employment and agency relationship pursuant to the general rules.

The exception to this are students, members of school cooperatives studying in full time education if and when they are personally involved in the services rendered by the cooperatives within the framework of employment relationship, under service or agency contracts – the legal expert of Kovács Réti Szegheő Law Firm reminds us.

This form of employment is beneficial to both students and the businesses using such services, as students studying in full time education are not considered to have been insured and therefore no contribution shall be paid for them, as well as employees must pay only 16% personal income tax for their income received from school cooperatives – dr. Balázs Korim finally stresses.