

## THE RECREATION CHEQUE SYSTEM IN HUNGARY

Since 1998 operates the preferential recreation cheque system in Hungary. The exclusive issuer, distributor, drafter of the preferential recreation cheque and the holder of the cheque's brand is the Hungarian National Foundation of Recreation in our country. These rights of the Foundation are ensured by the law.

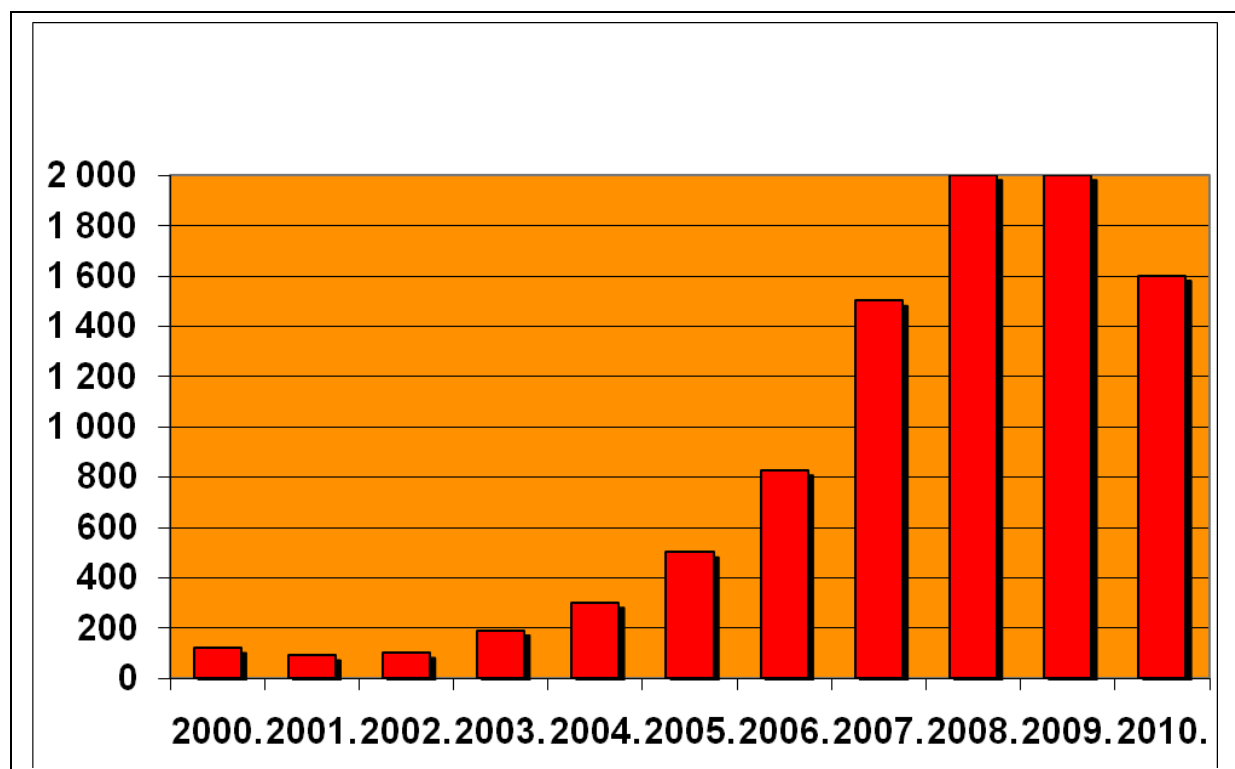
The Hungarian National Foundation of Recreation was founded by the Government and the confederation of six trade unions in 1992. The task of the Foundation on one hand is the actuation of the preferential recreation cheque system, on the other hand is to support the holiday and relaxation possibilities for employees with low income, people with the social disadvantages, pensioners and their members of family's with holiday and relaxation possibilities.

From first of January 2010 by right of the operative legal action by the Hungarian National Foundation of Recreation discharged recreation cheque is after the minimal wage (in 2010 it is 73 500 HUF) unadvanced part, the payer bound to pay 25% preferential personal income-tax. Within the preferential value boundary the recreation cheque allowance is free of affix.

For the social indigent allocated support in recreation cheque form by the Hungarian National Foundation of Recreation through the tenders is tax and affix free.

Till in 2009 approximately 2 million private person disposed with preferential recreation cheque, in 2010 this number were 1,6 million.

### Number of Recreation Cheque owners between 2000-2010 (thousand capital)



### **Who are the people who buy recreation cheque?**

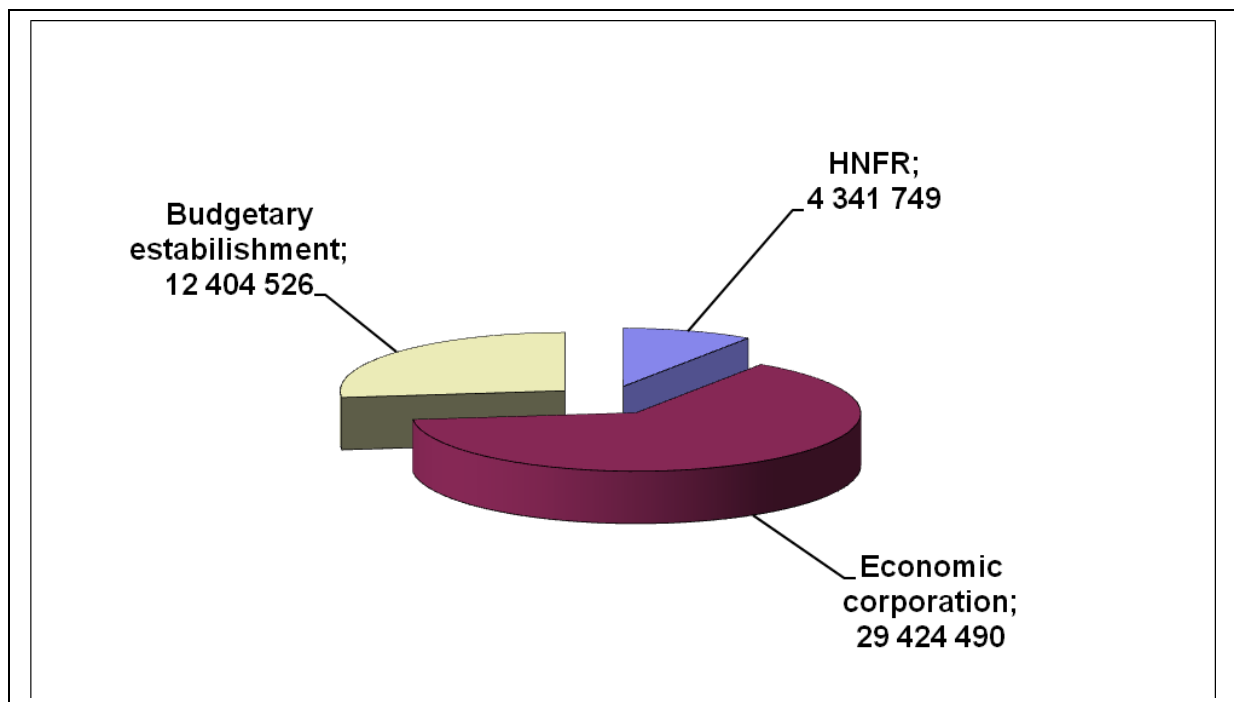
- economic corporations and other companies for their employees and their family's members
- budgetary establishments and local governments for their public servants and civil servants and for their relatives
- Hungarian National Foundation of Recreation

By the budgetary establishments purchased preferential recreation cheque is significantly increased in the last years, because the act prescribe that the civil servants may receive the holiday allowance - allotted by law - in the form of preferential recreation cheque. More and more corporations recognize that through the preferential recreation cheque they could insure the holiday, relaxation and recreation for their employees. The employer can redeem through the preferential recreation cheque in their abolished holiday home, closed cultural establishment, enclosed sports-ground, eliminated medical institution ensured service.

The employers not only their employees, pensioners were employees, but for their close relative can give cheque.

There is a positive experience that the employees will actually go to rest during their holiday if they receive preferential recreation cheque from their employers.

### **Distribution of the Recreation Cheque purchase in 2010 (in thousand HUF)**



### From where stem the money of the Foundation?

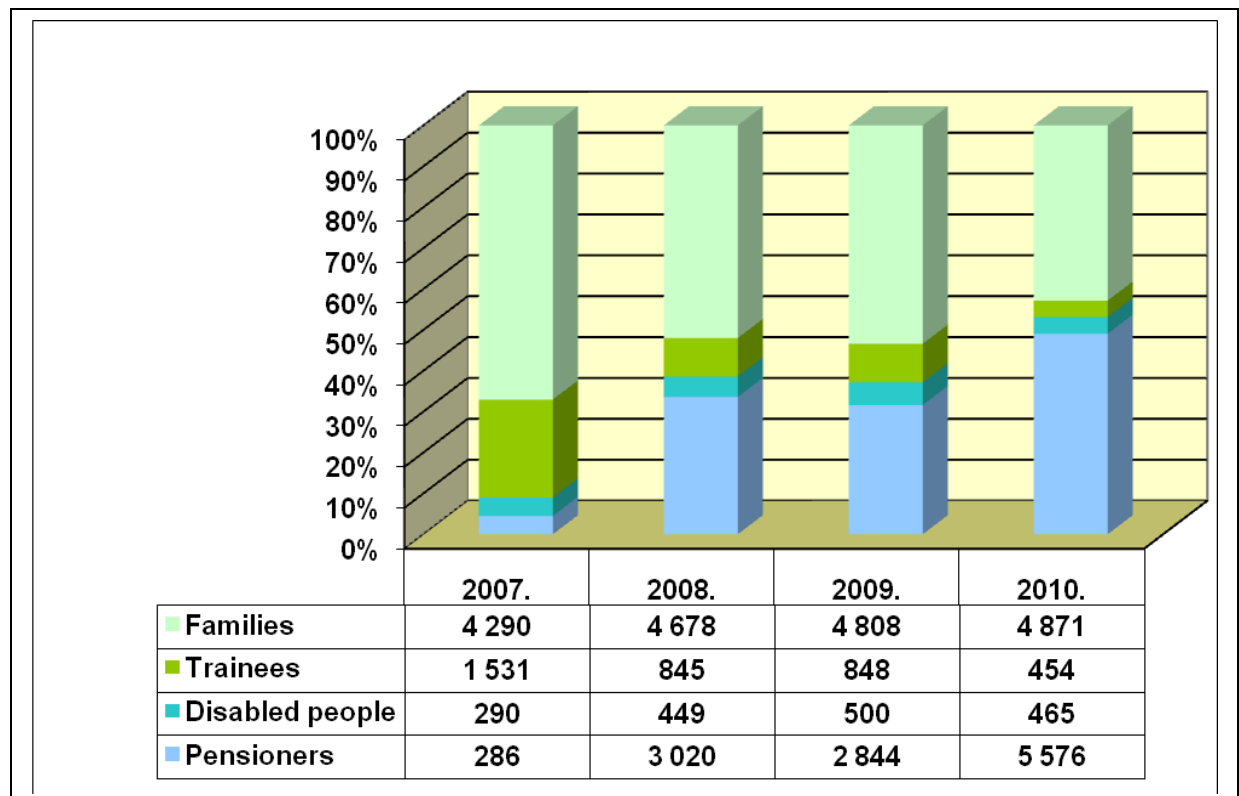
From five different sources:

- the yearly earnings of the asset ensure by the founders
- as a result of the recreation cheque turn over
- the grants won through domestic and European tenders
- allowances given by legal entities in the form of consortium cooperation
- the 1% dedication from the personal income-tax by private individuals

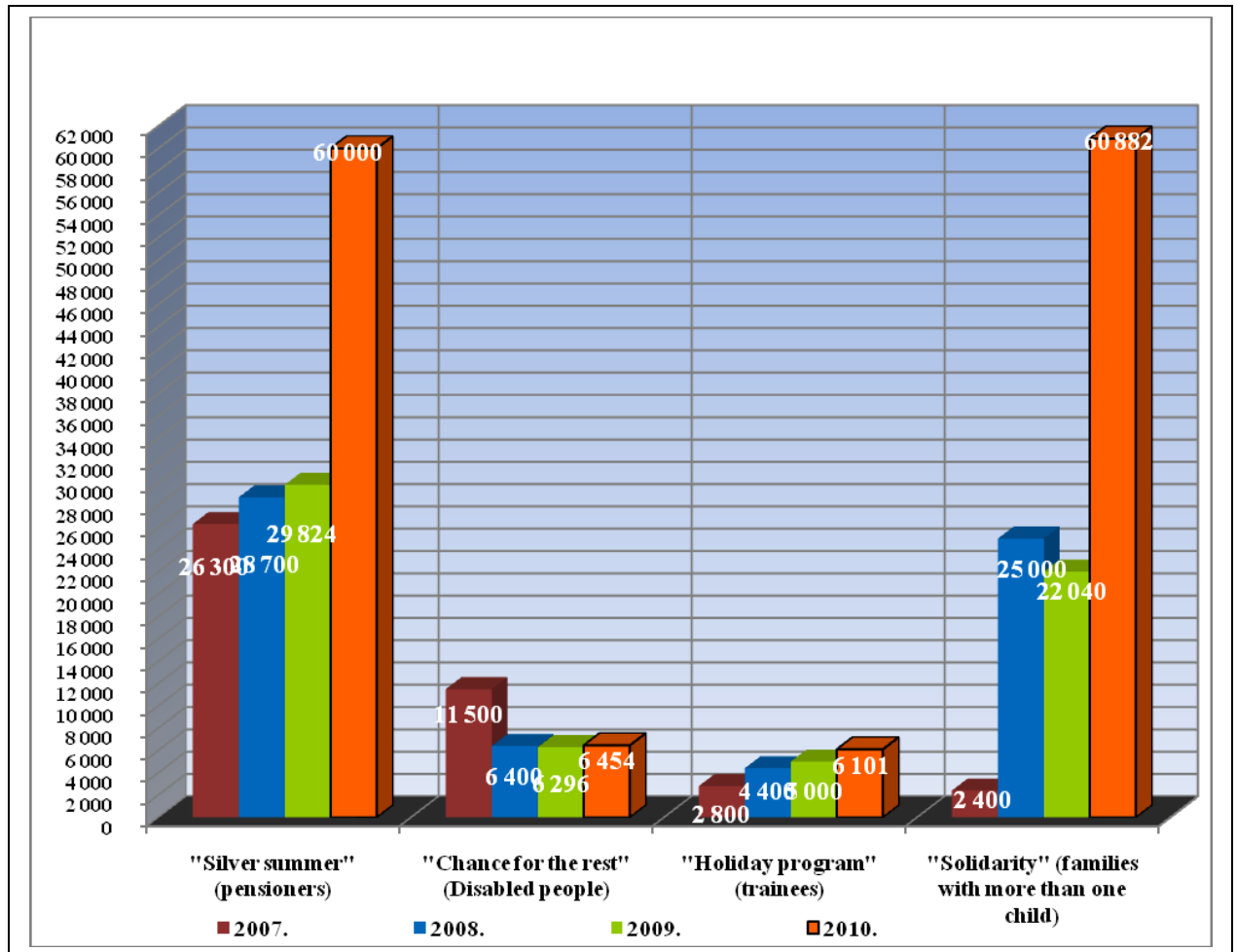
### Who can get preferential recreation cheque from the Hungarian National Foundation of Recreation?

The goal of the Foundation is that to ensure preferential recreation cheque from their resources for the socially disadvantaged people. The subsidy reaches to the people by open tender, on the basis of normative considerations. The Foundation is in co-operation with 150 organisations in introduce of tenders, to help the people to fill out the forms, in preliminary selection, in post, in the own share to ensure and in the later appropriation. In the last four years the Foundation contributed to the improvement of life quality in all 310 thousand socially disadvantaged people through preferential recreation cheque.

### **The value of the grants by the Foundation between 2007-2010 (thousand Euro)**



### By the social tenders partook persons number 2007-2010 (thousand)



In 2010 the Hungarian National Foundation of Recreation through their social tenders gave preferential recreation cheque allowance for 127 214 candidates in amount of 11 million Euro, which means average 86 Euro per person.

#### **How demandable assistance from Foundation?**

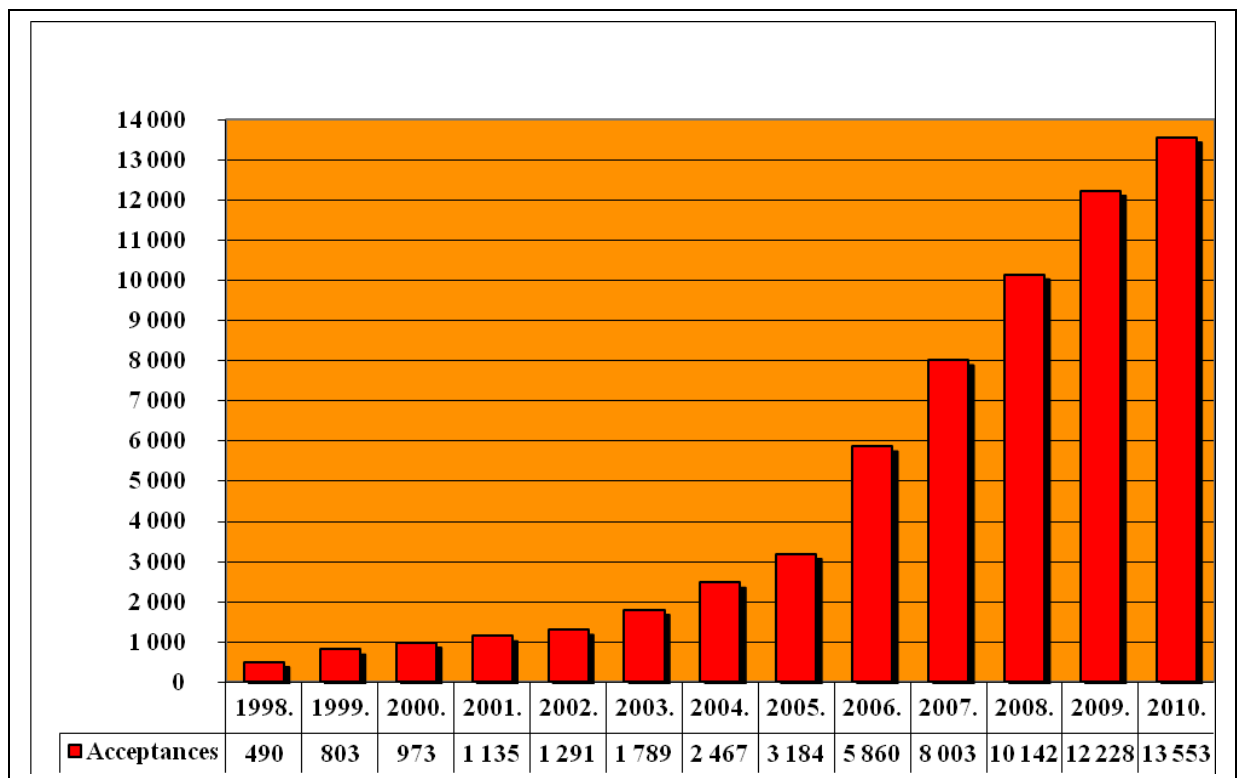
The Foundation is divulge tenders. The applicants are have to complete a form which include simple questions and items. If the applicant be equivalent to the requirements of the tender the Foundation give assistance in recreation cheque form, near a minimum own share cash in.

The goal is that the bigger portion of the own share not the candidate private person pay but the civilian organization, or corporate entity take over him/them subservient.

### Where available the preferential recreation cheque?

In 1998 the cheques could be used only for paying for accomodation and for services supplied at the accomodations. The number of places where these cheques accepted and the range of services which can be paid by preferential recreation cheque had significantly expanded since 2005. Nowadays we can pay in more than 13 thousand recipient places for services by the preferential recreation cheque which cover 17 different areas of services.

### **Number the places where the Recreitaion Cheque is accepted between 1998-2010**



### Beetwen 2004-2006 we gradually extended the application of recreation cheque:

- for travelling by train, bus and ship
- for cultural programs, festivals, zoo
- for ticket for fishing
- for visit thermal bath
- for dining
- for fuel
- for visiting zoos and sport events, and for certain cultural programs.

**In 2007 the range of application was even more extended:**

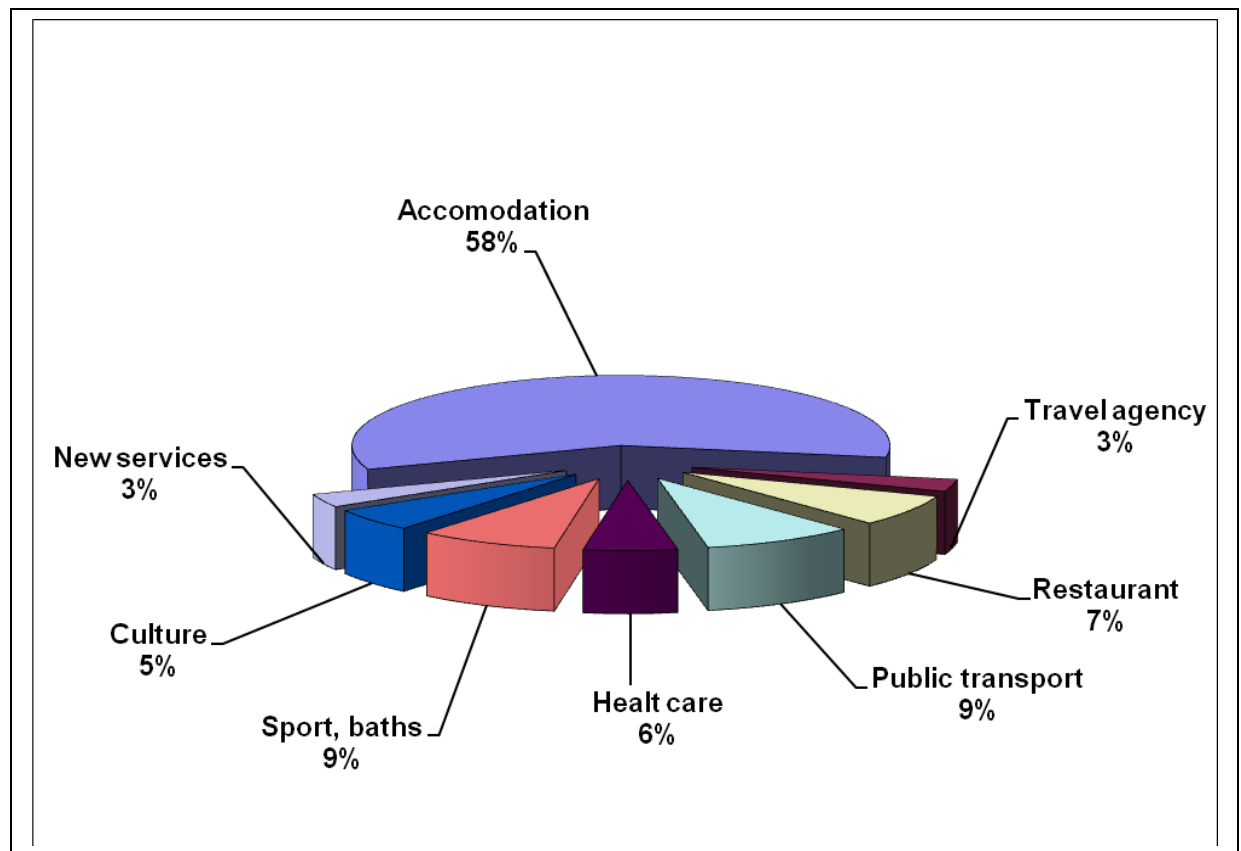
- for leisure sport (e.g. fitness, wellness)
- for culture (e.g. museums, theatres, cultural programs)
- for health conservation
- for illness prevention (Fuel was excluded from the list of applications transitionally.)

**In 2009 we ensured new application possibilities for our recreation cheque users**

- application in cinemas
- Internet accessing
- adjustment of the throughway fees
- adult training

The under mentioned graph represent the appropriation of preferential recreation cheque between the main groups of services

**Distribution of the services, which available with Recreation Cheque in 2010**



Nowadays the preferential recreation cheque has ever important function in domestic tourism.

The growing number of preferential recreation cheque used at accommodations indicate that these preferential cheque reached a significant role in domestic tourism.

On first of January 2008 the Foundation brought in the Recreation Cheque Plus Action. This includes those who offer something extra to the announced services (e.g.: welcome drink, bath ticket, or other free of charge service). From the actuation of this action all together 2 267 pieces accepter joined in to the “recreation plus”.

Note: Rate of exchange is 269 HUF.