

Estonia

Exchange rate: US\$1.00 = 0.92 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1924.

Current laws: 1992 (old-age pensions), 1992 (pensions), 2000 (funeral benefit), 2001 (individual accounts), 2004 (individual accounts), and 2004 (investments).

Type of program: Social insurance and mandatory individual account system.

Coverage

Social insurance: Permanent residents of Estonia; noncitizens residing temporarily in Estonia; and legal refugees.

Mandatory individual account: Persons born after December 31, 1982, who are covered by social insurance, including self-employed persons. Voluntary coverage for persons born after December 31, 1941, and before January 1, 1983.

Source of Funds

Insured person

Social insurance: None.

Mandatory individual account: 2% of earnings plus an administrative fee.

The minimum monthly earnings used to calculate contributions are €355.

There are no maximum earnings used to calculate contributions.

Self-employed person

Social insurance: 16% of declared covered earnings.

The minimum declared monthly earnings used to calculate contributions are €355.

The maximum declared monthly earnings used to calculate contributions are €1,757.25.

Mandatory individual account: 4% of declared earnings plus an administrative fee.

The minimum declared monthly earnings used to calculate contributions are €355.

The maximum declared monthly earnings used to calculate contributions are €1,757.25.

Employer

Social insurance: 16% of gross payroll.

The minimum monthly earnings used to calculate contributions are €355.

There are no maximum earnings used to calculate contributions.

Mandatory individual account: 4% of gross payroll.

The minimum monthly earnings used to calculate contributions are €355.

There are no maximum earnings used to calculate contributions.

Government

Social insurance: The total cost of national pensions, pension supplements, and allowances for some categories of insured persons. Local governments pay the total cost of the funeral grant.

Mandatory individual account: None.

Qualifying Conditions

Social insurance

Old-age pension: Age 63 (gradually rising by three months a year from January 1, 2017, until reaching age 65 in 2026) with at least 15 years of service.

Retirement is possible up to 10 years before the normal retirement age with at least 20 years of service, including 10 years of work in especially hazardous occupations; up to five years before the normal retirement age with at least 25 years of service, including 12 years and six months in especially hazardous occupations; up to five years before the normal retirement age with at least 15 years of service and time spent raising children (depending on the number of children or whether a child was disabled) or if the insured was involved in the Chernobyl disaster cleanup.

Early pension: Retirement is possible up to three years before the normal retirement age with at least 15 years of service.

Deferred pension: The pension may be deferred. There is no age limit.

National old-age pension: Age 63 and does not qualify for a social insurance old-age pension. Must have resided in Estonia for at least five years before applying for benefits and must not be receiving a pension from any other country.

Pension supplement: Paid to persons assessed with at least a 40% loss of earning capacity as a result of a nuclear test or accident and veterans of WWII or military personnel.

Disability pension: Aged 25 to 62 with one to 14 years of coverage, depending on age. Must be assessed with a 40% to 99% loss of earning capacity (partial disability) or 100% (total disability).

A medical expert assesses the degree of disability.

National disability pension: Must be assessed with a loss of at least 40% of earning capacity, must not qualify for a social insurance disability pension, and must not receive a pension from any other country.

Pension supplement: Paid to persons assessed with at least a 40% loss of earning capacity as a result of a nuclear test or accident; veterans of WWII or military personnel; and certain prisoners of war.

Disability social benefit: Paid to persons assessed with a moderate, severe, or profound disability that results in additional expenses. Social benefits are paid for disabled children younger than age 16, disabled parents raising a child younger than age 16 (age 19 if a student), disabled persons of working age (age 16 to the normal retirement age), and disabled persons who have reached the normal retirement age.

Survivor pension: The deceased was aged 63 or older and had at least 15 years of service; aged 25 to 62 with one to 14 years of contributions, depending on age; younger than age 25; or incapable of gainful activity.

An eligible spouse must meet one of the following conditions: at least 12 weeks' pregnant; nonworking and raising the deceased's child younger than age 3; permanently disabled and married to the deceased for at least a year; divorced and permanently incapable of work before the divorce, or if the incapacity began in the year immediately after the divorce, married for at least 25 years and reached pensionable age within three years after the divorce; or of pensionable age.

Other eligible survivors include children, stepchildren, siblings, and grandchildren younger than age 18 (age 24 if a full-time student, no limit if disabled); parents or step-parents of pensionable age or with a disability; or a non-employed guardian raising the deceased's children.

National survivor pension: Paid when the family breadwinner dies and was ineligible for a social insurance pension. The survivor must not receive a pension from any other country.

Funeral grant: Paid to the person who organizes the funeral if his or her family received a subsistence allowance at least once during the month in which or the month before the benefit is claimed.

Mandatory individual account

Old-age pension: Age 63 (gradually rising by three months a year from January 1, 2017, until reaching age 65 in 2026) with at least 15 years of service, receiving the social insurance old-age pension, and first contributed to the individual account at least five years before the date of retirement.

Survivor pension: The pension is paid to survivors named by the deceased; if there are no named survivors, the pension is paid to the deceased's spouse and orphans.

Old-Age Benefits

Social insurance

Old-age pension: The monthly benefit has three components: a flat-rate amount of €167.40; a length-of-service component equal to the number of years of service up to December 31, 1998, multiplied by the value of a year of pensionable service; and an insurance component based on contributions paid after January 1, 1999.

The value of a year of pensionable service is €5.514.

Employment may continue.

The minimum monthly old-age pension is the monthly national pension rate of €167.40.

There is no maximum old-age pension.

Early pension: The pension is reduced by 0.4% for each month before the normal retirement age.

Employment must cease up to the normal retirement age.

Deferred pension: The pension is increased by 0.9% for each month of deferral.

Benefit adjustment: Benefits are adjusted annually in April according to changes in the consumer price index and the annual increase in social tax contributions.

National old-age pension: The pension is the monthly national pension rate of €167.40.

Pension supplement: A supplement equal to the value of a year of pensionable service is paid for each child raised for at least eight years; 10% of the monthly national pension rate is paid to persons incapacitated for work as a result of a nuclear test or accident, World War II veterans, and military personnel.

The monthly national pension rate is €167.40.

Benefit adjustment: The national pension is adjusted annually by the Estonian parliament.

Mandatory individual account

Old-age pension: The value of the pension depends on the insured's contributions plus accrued interest. At retirement, the insured must purchase a life annuity or make programmed withdrawals if the pension is less than 25% of the national pension rate.

The monthly national pension rate is €167.40.

Permanent Disability Benefits

Social insurance

Disability pension: The monthly pension is either the insured's old-age pension or a flat-rate amount of €167.40 plus a length-of-service component based on 30 years of coverage multiplied by the assessed degree of disability, whichever is greater.

The amount of time the pension is paid depends on the assessed degree of disability, from six months up to the retirement age.

The minimum monthly disability pension is the national pension rate of €167.40.

There is no maximum disability pension.

Persons receiving a disability pension may continue working.

The disability pension is replaced by an old-age pension at the retirement age.

Benefit adjustment: Disability pensions are adjusted annually in April according to changes in the consumer price index and the annual increase in social tax contributions.

National disability pension: A percentage of the monthly national pension rate of €167.40 is paid according to the assessed degree of disability.

Employment may continue.

Pension supplement: A supplement equal to the value of a year of pensionable service is paid for each child raised for at least eight years; 10% of the monthly national pension rate is paid to persons incapacitated for work as a result of a nuclear test or accident, World War II veterans, and military personnel; 20% to certain World War II prisoners of war.

The monthly national pension rate is €167.40.

Benefit adjustment: The national pension rate is adjusted annually by the Estonian parliament.

Disability social benefit: The benefit has several components.

Disabled child allowance: 270% (moderate disability) or 315% (severe or profound disability) of the social benefit rate is paid.

Disabled person of working age allowance: at least 65% (moderate disability) up to 210% (profound disability) of the social benefit rate is paid.

Disabled parent's allowance: 75% of the social benefit rate is paid.

Disabled pensioner's allowance: 50% (moderate disability), 105% (severe disability), or 160% (profound disability) of the social benefit rate is paid.

Additional allowances may be paid to assist disabled persons with expenses related to education (from 25% to 100% of the social benefit rate), employment support (up to 10 times the social benefit rate for up to three years), rehabilitation (up to 200% of the social benefit rate), or in-service training (up to 24 times the social benefit rate for one year).

The social benefit rate is €25.57 (2014).

Survivor Benefits

Social insurance

Survivor pension: 50% of the reference pension is paid for one survivor, 80% for two, and 100% for three or more. The amount is split equally among all eligible survivors.

The reference pension is either the old-age pension the deceased received (or was entitled to receive), or the sum of the flat-rate amount of €167.40 plus a length-of-service component based on 30 years of coverage multiplied by the assessed degree of disability, whichever is greater.

The survivor pension is paid for 12 months after remarriage.

Full orphans receive the survivor pension for both parents.

National survivor pension: 50% of the monthly national pension rate is paid for one survivor, 80% for two, and 100% for three or more; or 100% to a widow(er) of a veteran of the Estonian War of Independence. The amount is split equally among all eligible survivors.

The monthly national pension rate is €167.40.

Benefit adjustment: The national pension rate is adjusted annually by the Estonian parliament.

Funeral grant: A lump sum of €250 is paid.

Mandatory individual account

Survivor pension: If the insured dies before retirement, designated survivors receive the accumulated value of the individual account. If the insured dies after retirement, designated survivors may receive a periodic benefit for at least five years.

Administrative Organization

Social insurance

Ministry of Social Affairs (<http://www.sm.ee>) is responsible for general management and supervision.

National Social Insurance Board (<http://www.sotsiaalkindlustusamet.ee>) is responsible for overall planning and coordination.

Mandatory individual account

Ministry of Finance (<http://www.fi.ee>) supervises the Financial Supervisory Authority and the Registrar of the Estonian Central Register of Securities.

Financial Supervisory Authority (<http://www.fi.ee>) supervises financial services providers, including pension management companies and life insurance companies.

Registrar of the Estonian Central Register of Securities (<http://www.e-register.ee>) sets up a pension account for each insured person.

Sickness and Maternity

Regulatory Framework

First law: 1924.

Current laws: 2000 (health insurance fund), implemented in 2001; 2002 (health organization); and 2002 (health insurance).

Type of program: Social insurance system.

Coverage

Cash benefits: Employed persons, self-employed persons, pensioners, and persons receiving the child care allowance (see Family Allowances).

Medical benefits: Persons with an employment or service contract; self-employed persons; public-sector workers; military personnel; persons receiving certain benefits; care-givers; persons younger than age 19; and students.

Voluntary coverage for persons who were previously insured for at least 12 months in the last two years and for persons receiving a pension from another country.

Source of Funds

Insured person: None.

Voluntarily insured pay €115 a month.

Self-employed person: 13% of declared earnings.

The minimum declared monthly earnings used to calculate contributions are €355.

The maximum declared monthly earnings used to calculate contributions are €1,757.25.

The self-employed person's contributions also finance work injury benefits.

Employer: 13% of payroll.

The minimum monthly earnings used to calculate contributions are €355.

There are no maximum earnings used to calculate contributions.

The employer's contributions also finance work injury benefits.

Government: None.

Qualifying Conditions

Cash benefits: Must be a current member of the Health Insurance Fund, regardless of the length of service.

A doctor must certify the incapacity for work from the fourth day of incapacity.

Medical benefits: Must be a current member of the Health Insurance Fund.

Must have 14 days of employment for workers with an employment or service contract exceeding one month, self-employed persons, and civil servants; three months for persons with other types of contracts. There is no qualifying period for persons for whom the government pays the total contribution (see source of funds under Old Age, Disability, and Survivors).

Sickness and Maternity Benefits

Sickness benefit: 70% of the reference wage is paid from the ninth day of sickness for temporary sick leave from employment, hospitalization, outpatient treatment, or periods of quarantine; 80% for caring for a sick family member at home or a child with a disability who is younger than age 16; and 100% for an occupational disease or a work injury. (The employer pays 70% of the insured's average wages in the last six months from the fourth to the eighth day of incapacity.) The benefit is paid for up to 182 calendar days for each period of sickness; for up to 240 calendar days for tuberculosis.

The reference wage is the insured's average gross daily wage in the previous calendar year. There is no maximum reference wage.

Benefits also include wage compensation for a temporary transfer to another job as a result of the incapacity. The benefit is the difference between earnings before and after the job transfer. The benefit is paid from the transfer day for up to 60 calendar days.

Maternity benefit: 100% of the reference wage is paid for up to 140 calendar days.

Adoption allowance: 100% of the reference wage is paid for up to 70 calendar days for the adoption of a child younger than age 10.

The reference wage is the insured's earnings used to calculate contributions. There is no maximum reference wage.

Benefits also include wage compensation for a temporary transfer to another job as a result of pregnancy. The benefit is the difference between earnings before and after the job transfer. The benefit is paid from the transfer day until the start of maternity (or adoption) leave.

Workers' Medical Benefits

Medical benefits: National and local health care institutions provide medical benefits.

The duration of the benefits is unlimited as long as the insured is covered; after coverage ceases, the insured continues to qualify for new benefits for up to two months.

Pharmaceutical products must be approved by the Ministry of Social Affairs, based on the diagnosis and according to a schedule in law.

Cost sharing: The insured pays from €1.27 to €3.19 and from 0% to 50% of the cost of prescribed medicine, according to a schedule in law. If the price of a product exceeds

Estonia

the reference price (a standard maximum), the insured also pays the difference.

The Health Insurance Fund also reimburses the insured for 50% of annual out-of-pocket costs of medicine from €384 to €640 plus 75% from €640 to €1,300, up to €623 a year.

No copayment is required for certain specialized outpatient care, such as for pregnancy or for a child younger than age 2.

The insured receives temporary prosthesis after amputation and certain other appliances.

Pensioners receive cash benefits for dental prostheses every three years.

The Health Insurance Fund may authorize planned medical treatment abroad in special cases.

Dependents' Medical Benefits

Medical benefits for dependents are the same as for the insured.

Children younger than age 19 receive free dental care.

Administrative Organization

Ministry of Social Affairs (<http://www.sm.ee>) is responsible for general management, supervision, and planning.

Health Insurance Fund (<http://www.haigekassa.ee>) coordinates health insurance and administers benefits.

Doctors, polyclinics, and hospitals provide medical benefits.

Work Injury

Regulatory Framework

First law: 1924.

Current laws: 1956 (civil code), 1999 (occupational safety and health), 2001 (pension insurance), 2001 (obligations), and 2002 (health insurance).

Type of program: Social insurance system (There is no specific program for work injuries and occupational diseases. Cash and medical benefits are provided through the Sickness and Maternity and Old Age, Disability, and Survivor programs. Under the civil code, additional benefits are provided by employers).

Coverage

Employed and self-employed persons who are permanent residents of Estonia.

Source of Funds

Insured person: None.

Self-employed person: See source of funds under Sickness and Maternity.

Employer: See source of funds under Sickness and Maternity.

Government: The total cost for employees whose employer is insolvent.

Qualifying Conditions

Work injury benefits: Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

100% of the reference wage is paid until the degree of disability has been assessed.

The reference wage is the insured's average gross daily wage in the previous calendar year. There is no maximum reference wage.

A medical commission assesses the degree of disability.

Permanent Disability Benefits

Permanent disability pension: Paid with at least a 40% loss of earning capacity.

The monthly pension is the reference pension multiplied by the assessed degree of loss of earning capacity.

The reference pension is the greater of the old-age pension or the sum of the flat-rate amount of €167.40 plus a length-of-service component based on 30 years of coverage.

The monthly length-of-service component is €5.245 multiplied by the number of years of service up to December 31, 1998.

The minimum monthly permanent disability pension is the monthly national pension rate of €167.40.

There is no maximum permanent disability pension.

Benefit adjustment: Benefits are adjusted annually in April according to changes in the consumer price index and the annual increase in social tax contributions.

Compensation benefit: Paid for a loss of earning capacity from 10% to 40%. The benefit is the insured's average gross earnings in the last 12 months before the work injury occurred or occupational disease began multiplied by the assessed loss of earning capacity minus the amount of any pension paid by the government.

Workers' Medical Benefits

National and local medical institutions provide medical benefits.

Medical rehabilitation is provided. Local authorities are responsible for providing social rehabilitation (including special transportation for persons with disabilities, necessary adaptation of the person's home, and personal assistance).

If the medical commission certifies the need for additional expenses, the employer must meet the cost of prostheses

and aids, prescribed medicine, travel expenses to and treatment in a sanatorium, and expenses for auxiliary care.

Survivor Benefits

Survivor pension: See Old Age, Disability and Survivors.

Administrative Organization

Ministry of Social Affairs (<http://www.sm.ee>) is responsible for general management and supervision.

Health Insurance Fund (<http://www.haigekassa.ee>) coordinates health insurance and administers benefits.

Doctors, polyclinics, and hospitals provide medical benefits.

Social Insurance Board (<http://www.sotsiaalkindlustusamet.ee>) administers permanent disability benefits.

Unemployment

Regulatory Framework

First law: 1991.

Current laws: 2001 (unemployment insurance) and 2005 (labor market services).

Type of program: Social insurance and social assistance system.

Coverage

Permanent residents of Estonia, noncitizens residing in Estonia with a temporary residence permit, and legal refugees.

Source of Funds

Insured person

Unemployment insurance benefit: 1.6% of gross earnings.

Unemployment allowance: None.

Self-employed person

Unemployment insurance benefit: None.

Unemployment allowance: None.

Employer

Unemployment insurance benefit: 0.8% of gross payroll.

Unemployment allowance: None.

Government

Unemployment insurance benefit: None.

Unemployment allowance: The total cost.

Qualifying Conditions

Unemployment insurance benefit (social insurance): Must be capable of gainful activity, aged 16 to the normal

retirement age (except for early pensioners), registered as unemployed by an employment office of the Estonian Unemployment Insurance Fund, and involuntarily unemployed with at least 12 months of insured work in the 36 months before registering as unemployed.

There is a waiting period of seven calendar days.

The benefit is suspended if the insured does not register with an employment office of the Estonian Unemployment Insurance Fund at least once every 30 calendar days or refuses a suitable job offer.

Unemployment allowance (social assistance): Must be capable of gainful activity, aged 16 up to the normal retirement age (except for early pensioners), registered as unemployed with an employment office of the Estonian Unemployment Insurance Fund, have at least 180 calendar days of employment in the 12 months before registering as unemployed, and have personal income less than the value of the daily unemployment allowance of €3.62. Employment periods include full-time education, military service, raising a child younger than age 7, treatment in a hospital, caring for a sick person, or periods of disability or detention.

There is a general waiting period of seven calendar days; 60 calendar days from the date of registration as unemployed for recently graduated students.

Unemployment Benefits

Unemployment insurance benefit (social insurance): 50% of reference earnings is paid for the first 100 calendar days; thereafter, 40% of reference earnings. The benefit is paid for 180 calendar days with up to 56 months of coverage; for 270 calendar days with 56 to 110 months; or for 360 calendar days with 111 months or more.

Reference earnings are average daily earnings in the first nine of the last 12 months.

The maximum daily earnings used to calculate contributions are three times the national average daily income for the previous calendar year.

The minimum unemployment insurance benefit is 50% of the legal national minimum wage.

The legal monthly minimum wage is €390.

The maximum daily unemployment insurance benefit is €37.94 for the first 100 days; thereafter, €30.35.

Unemployment allowance (social assistance): A daily allowance of €3.62 is paid for up to 270 calendar days; 210 calendar days for unemployed persons who are dismissed by their employer for a breach of duties, loss of confidence, or indecent act.

The unemployment allowance may be extended up to the normal retirement age (except for early pensioners) if there are less than 180 calendar days until the claimant reaches the normal retirement age (except for early pensioners).

Administrative Organization

Estonian Unemployment Insurance Fund (<http://www.tootukassa.ee>), under the supervision of the Ministry of Social Affairs (<http://www.sm.ee>), registers the unemployed and pays benefits.

Family Allowances

Regulatory Framework

First law: 1922.

Current laws: 2001 (family benefits) and 2003 (parental benefits).

Type of program: Social assistance system.

Coverage

Permanent residents of Estonia and noncitizens temporarily residing in Estonia.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Childbirth or adoption allowance: Paid for the birth or adoption of a child.

Child allowance: Paid for each child up to age 16 (age 19 if a full-time student).

Single parent's child allowance: Paid to a child whose father has not been registered on a birth certificate or for whom one parent is declared absent.

Large family supplement: Paid for each child in a family with at least seven children.

Child care allowance: Paid to a parent (or guardian) raising one or more children younger than age 3.

Supplementary child care allowance: Paid to a parent (or guardian) receiving the child care allowance if he or she is also caring for a child up to age 1.

Conscript's child allowance: Paid for one or more children of conscripted military personnel.

Foster care allowance: Paid for one or more children up to age 16 cared for by a guardian or foster parent.

Start in independent life allowance: Paid to persons without parental care who have grown up in a social welfare institution or attended a special needs school.

Parental benefit: Paid to either parent after the end of the maternity or adoption benefit period (from birth for mothers who are not entitled to maternity leave).

Subsistence benefit: Paid to persons suffering from material deprivation and assessed as living below the subsistence level.

The subsistence level is the income necessary for minimum daily subsistence in a period of one month and varies according to the number of people in a family.

Family Allowance Benefits

Childbirth allowance: €320 is paid for each child (including an adopted child); €1,000 for multiple births of three or more children.

Child allowance: €50 a month is paid for each of the first two children; €100 a month for each subsequent child.

Single parent's child allowance: €19.18 a month is paid.

Large family supplement: €168.74 a month is paid.

Child care allowance: €38.35 a month (50% of the child care allowance rate) is paid for each child up to age 3; €19.18 a month (25% of the child care allowance rate) for each child aged 3 to 8.

The child care allowance rate is €76.70.

Supplementary child care allowance: €6.40 a month is paid for each child.

Conscript's child allowance: €47.95 a month is paid for each child.

Foster care allowance: €240 a month is paid for each child.

Start in independent life allowance: A lump sum of €383.60 is paid.

Parental benefit: 100% of the insured's average income in the last year is paid for 435 days (until the child turns 18 months if the mother did not qualify for a maternity benefit).

The minimum monthly parental benefit is €390.

The maximum monthly parental benefit is €2,724.36.

Subsistence benefit: €130 a month is paid for a person living alone and for the first additional family member; €104 a month for the second and subsequent family members.

Administrative Organization

Ministry of Social Affairs (<http://www.sm.ee>) is responsible for general management and supervision.

National Social Insurance Board (<http://www.sotsiaalkindlustusamet.ee>) coordinates and administers benefits.

Local government pay the subsistence benefit.