

Unemployment Insurance Premium and Unemployment Insurance Benefit

People who work in Estonia are obliged to pay **unemployment insurance premiums**, which guarantee them unemployment insurance benefits should they become unemployed.

Unemployment insurance premiums are paid by both the employee and the employer. The amount of the unemployment insurance premium paid by the employee is **0.6%** of salary and other income whereas the employer pays **0.3%**. For further information about taxes, please see: www.emta.ee.

If an EU citizen becomes unemployed after working in Estonia and they have paid unemployment premiums for at least 12 months within the last two years, they will be entitled to unemployment insurance benefit. The benefit will be financed from the funds received from unemployment insurance premiums and its amount depends on the previous salary of the person. Persons can apply for unemployment insurance benefits from the regional departments of the Labour Market Board.

For further information about the unemployment insurance benefit, please see: www.tootukassa.ee.



For further information, please see:

- **Social Insurance Board** (social tax, pension, family benefits, parental benefits) <http://www.ensib.ee>
- **Health Insurance Fund** (medical insurance) <http://www.haigekassa.ee/>
- **Citizenship and Migration Board** (residence and work permits): <http://www.mig.ee>
- **Estonian Unemployment Insurance Fund** (unemployment insurance benefit) www.tootukassa.ee
- **Tax and Customs Board** (taxes): <http://www.emta.ee>
- **Labour Market Board** (services and benefits for the unemployed) <http://www.tta.ee>
- **Estonian ENIC/NARIC Centre** (recognition of professional qualification and education documents in Estonia) <http://www.socrates.ee/et/enicnaric.html>
- **EURES** (international job mobility portal) <http://europa.eu.int/eures/>
- **Homepage of EURES Estonia:** <http://www.eures.ee>
- **Recruitment portal on the Internet:**
 - Job portal of the Labour Market Board: <http://www.amet.ee>
 - CV-Keskus <http://www.cvkeskus.ee>
 - CV-Online <http://www.cv.ee>
 - Job.ee <http://www.job.ee>
 - Fontes recruitment <http://www.executivesearch.ee>



**WHEN COMING
TO WORK IN THE
REPUBLIC OF ESTONIA**
Information about Estonian taxes
and the social security system

Looking for a job in Estonia

You can use different Internet portals when you start looking for a job in Estonia:

<http://www.cvkeskus.ee>

<http://www.cv.ee>

<http://www.job.ee>

<http://www.hyppelaud.ee>

<http://www.amet.ee>

<http://www.executivesearch.ee>

If you wish to find a job in Estonia, you have to keep in mind that the working language is generally Estonian and sometimes also Russian.

You can find information about living and working conditions in Estonia on the following websites:

- the European EURES portal
<http://europa.eu.int/eures>
- the Estonian EURES homepage
<http://www.eures.ee/>

When you come to work in Estonia

- Estonia is a member of the European Union (hereinafter the EU) and therefore it applies the principle of free labour movement, which guarantees that citizens of other member states are treated equally as citizens of Estonia. EU citizens do not require a work permit in order to work in Estonia.
- Persons who arrive in Estonia must carry a valid passport or ID certificate (ID card).
- EU citizens may stay and work in Estonia **without a residence permit for up to three months** from the date of arrival in Estonia.

- Persons who wish to work in Estonia for more than three months are required to apply for a **residence permit for work** from the Board of Citizenship and Migration. An Estonian identification code will be allocated to the person when the residence permit is issued. EU citizens are also required to register their place of residence with the Population Register within one month from receipt of the residence permit. For further information, please see: <http://www.mig.ee>.

Taxes in Estonia

Mandatory taxes associated with working in Estonia are **income tax, social tax and unemployment insurance premium**. Taxpayers in Estonia are persons whose permanent place of residence is in Estonia or who spend at least 183 days in Estonia within 12 consecutive calendar months.

Income Tax

In 2006, the rate of income tax in Estonia is **23%**, income tax-free minimum is **2 000 kroons per month**, 24 000 kroons per year.

Income tax is calculated on the person's salary and withheld by the person who pays the salary. This means that income tax at the rate of 23% will also be withheld from the salary income of EU citizens who have started working in Estonia. In addition to the Income Tax Act of Estonia, taxation of salary income in Estonia is also affected by agreements made between states to avoid double taxation.

In the event a resident of another EU member state earns 75% or more of their taxable income in Estonia, then the right of residents to tax-free income (24,000 kroons for 2006) will apply to that person if they declare their income for the year to the Estonian Tax and Customs Board.

Estonian tax residents are required to submit an income tax return to the Tax and Customs Board by the 31st of March of every year. Overpaid income tax is refunded to the persons on the basis of the tax return. For further information, please see: www.emta.ee.

Social Tax and Medical Insurance

Social tax is the tax that guarantees medical insurance and pension insurance to people. Social tax is paid by the employer every month and its rate is **33%**.

Medical insurance is compulsory for all employees in Estonia. A person's medical insurance will become valid when two weeks have passed from the commencement of employment, but provided that the term of the employment contract is at least 1 month and the person has an identification code.

Necessary medical assistance is guaranteed to persons who are insured in another EU member state, but are staying or residing in Estonia, on equal bases as persons insured in Estonia. Certificate **E 111** or a **European Medical Insurance Card** issued by the country of insurance is required for receipt of medical assistance. For further information, please see: <http://www.haigekassa.ee>.