

## Estonia

Exchange rate: U.S.\$1.00 equals  
17.56 kroons (EEK).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1924.

**Current laws:** 2000 and 2001.

**Type of program:** Social insurance system.

Note: Legislation passed in 2001 to be implemented in July 2002 sets up a second pillar of individual accounts. Membership will be mandatory for workers under age 18 and voluntary for workers over age 18.

#### Coverage

All persons currently residing in Estonia.

#### Source of Funds

**Insured person:** Employees make no contribution. The self-employed contribute 33% of income equal to or above the minimum salary.

**Employer:** 33% of payroll.

**Government:** The cost of some pensions; pension supplements; funeral grants.

The above contributions also finance Sickness and Maternity and Work Injury.

#### Qualifying Conditions

**Old-age pension:** 15 years of service. Age 63 (men) and age 58 (women). The retirement age for women is to be raised by 6 months each year until it reaches age 63.

**Disability pension:** Aged 16 to 63 with 1 year to 14 years of insurance coverage or credited pensionable service depending on the age of pension claimant.

**Survivor pension:** Survivors incapable of gainful activity. Deceased had 1 to 14 years of insurance coverage or pensionable service depending on age.

Survivors include children, stepchildren, siblings, and grandchildren under age 18 or disabled; a parent, stepparent, surviving spouse, or guardian not gainfully employed and raising the deceased's children, brothers, sisters, or grandchildren under 14 years of age.

#### Old-Age Benefits

**Old-age pension:** Includes a base amount (419 EEK) and an amount based on years of pensionable service.

**National pension:** Set by legislature and adjusted for changes in the cost of living. The benefit is 100% of the national pension rate (800 EEK).

#### Permanent Disability Benefits

**Disability pension:** Based on the old-age pension and corresponding to the loss of capacity for work.

#### Survivor Benefits

**Survivor pension:** Based on the old-age pension and the number of survivors. One survivor, 40% of the pension entitlement; two survivors, 70%; three or more survivors, 100%.

**Funeral grant:** 1,800 EEK.

#### Administrative Organization

Ministry of Social Affairs is responsible for general management and supervision.

National Social Insurance Board is responsible for overall planning and coordination.

Regional pension offices are responsible for administration at the local level.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1924.

**Current law:** 1991.

**Type of program:** Social insurance system.

#### Coverage

**Cash sickness and maternity benefits:** Insured employees, insured employers, and insured self-employed persons.

**Medical benefits:** Insured employees, insured employers, insured self-employed persons, spouses of an insured person, children under age 18, schoolchildren or students engaged in daily study, disabled persons, nonworking persons raising a child of up to 3 years of age, pregnant women, pensioners, persons registered as unemployed, and military personnel.

#### Source of Funds

**Insured person:** Employees make no contribution. For self-employed persons, see Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** None.

### **Qualifying Conditions**

**Sickness benefits and medical care:** Current affiliation to the Health Insurance Fund regardless of length of service.

**Medical benefits:** Current affiliation to the Health Insurance Fund regardless of length of service.

### **Sickness and Maternity Benefits**

**Sickness benefit:** A percentage of worker's average income is paid for each calendar day: 60% for hospital treatment and 80% for outpatient care. Benefits payable from the first day of sickness include caring at home for a family member over 14 years of age, 80% for 7 calendar days; caring at home for a child under 3 years of age (up to 16 years for a disabled child) if the parent providing care is ill, 80% for 14 calendar days; caring for a child up to 14 years of age, 100% for 14 calendar days; work injury caused by employer, health damage, occupational disease, or work injury as a result of trying to prevent a crime, 100%; adopting a child of up to 4 years of age, 100% for 70 days.

**Maternity benefit:** 100% of the insured's average income for 126 calendar days. In the case of multiple births, the benefit is provided for 140 calendar days.

### **Workers' Medical Benefits**

State and local medical institutions provide medical benefits.

### **Dependents' Medical Benefits**

State and local medical institutions provide medical benefits.

### **Administrative Organization**

Ministry of Social Affairs is responsible for general management, supervision, and planning.

Estonian Health Insurance Fund coordinates health insurance.

Medical care is provided by doctors, polyclinics, and hospitals.

Benefits are paid to the insured by the Estonian Health Insurance Fund.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1924.

**Current law:** 1991.

**Type of program:** Social insurance system.

#### **Coverage**

Insured employees and insured self-employed persons.

### **Source of Funds**

**Insured person:** Employees make no contribution. For self-employed persons, see Old Age, Disability, and Survivors, above.

**Employer:** See Old Age, Disability, and Survivors, above.

**Government:** The payment of compensation for injured employees whose employer is insolvent.

### **Qualifying Conditions**

**Work injury benefits:** All permanent residents.

### **Temporary Disability Benefits**

100% of average income until the degree of disability has been determined.

### **Permanent Disability Benefits**

Based on the old-age pension and corresponding to the loss of capacity for work.

### **Workers' Medical Benefits**

State and local medical institutions provide medical benefits.

### **Survivor Benefits**

**Survivor pension:** Based on the old-age pension and the number of survivors. One survivor, 40% of the pension entitlement; two survivors, 70%; three or more survivors, 100%.

### **Administrative Organization**

Ministry of Social Affairs is responsible for general management and supervision.

Estonian Health Insurance Fund administers health insurance in counties and towns.

Medical care is provided by doctors, polyclinics, and hospitals.

Regional pension offices administer and pay permanent disability benefits.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1991.

**Current law:** 2000.

**Type of program:** Unemployment assistance.

#### **Coverage**

Permanent residents aged 16 or over (up to the pensionable age) who are capable of gainful activity.

## Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

## Qualifying Conditions

Age 16 to retirement age, registered as unemployed by the employment service, and with 180 days of work during the 12 months prior to becoming unemployed. Work may include full-time study in an educational institution, military service, raising a child under age 7, treatment in a hospital, nursing the sick, being disabled or elderly, or being in detention.

## Unemployment Benefits

400 EEK for 180 calendar days.

Benefit may be extended for up to 180 days if less than 180 days remain until retirement age. Benefit entitlement may be extended for up to 90 days if the claimant is raising three or more children under age 18, is undertaking vocational training or a community placement, or if family income is below the poverty level.

## Administrative Organization

Ministry of Social Affairs is responsible for general management and supervision.

Labor Market Board, with local employment offices, is responsible for registering the unemployed, administering job search and retraining, and guaranteeing the payment of benefits.

## Family Allowances

### Regulatory Framework

**First law:** 1922.

**Current law:** 1998.

**Type of program:** Social insurance system.

### Coverage

Permanent residents, aliens with temporary residence permits, and refugees.

## Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

## Qualifying Conditions

**Family allowances:** All children under age 17; up to age 19 if a full-time student.

## Family Allowance Benefits

**Childbirth allowance:** First child, 25 times the child allowance rate (150 EEK); each subsequent child, 20 times.

**Child allowance:** Paid monthly to families with one child at the child allowance rate. A monthly allowance is paid for a second child, and for each subsequent child, at two times the child allowance rate.

**Child care allowance:** A monthly allowance is paid for each child at 1.5 times the child care allowance rate (1,200 EEK) to one parent raising one or more children up to 3 years old. In addition, 25% of the child care allowance rate for each child between ages 3 and 8.

**Single parent's child allowance:** Paid monthly for children of up to 16 years of age and for children enrolled in school at two times the child allowance rate.

**Conscript's child allowance:** Paid monthly for children of conscripts in the armed forces at five times the child allowance rate.

**Child's school allowance:** An annual payment for each child enrolled in school paid at three times the child allowance rate.

**Foster care allowance:** Paid monthly at two times the child allowance rate.

**Start in independent life allowance:** 5,000 EEK paid to orphans or persons without parental care who have spent at least the last 3 years in a children's home or in a school for the disabled.

**Allowance for families with four or more children and families raising triplets:** Annual allowance equal to the child allowance rate multiplied by the number of children who receive child allowance for a family per quarter.

## Administrative Organization

Ministry of Social Affairs is responsible for general management and supervision.

National Social Insurance Board coordinates and administers benefits.

Regional pension offices administer and pay benefits at the local level.