

Dear customer,

If you have not found suitable work and require help from the Unemployment Insurance Fund, then this information is for you.

Where to go?

The Estonian Unemployment Insurance Fund's offices are open again. Since the virus still remains a risk, we kindly ask you to send your applications via e-töötukassa, e-mail or telephone. We provide counselling online and over the phone, your counsellor will advise you to come to the office only if necessary.

You can also submit an application to register as unemployed or as a jobseeker via e-portal of the Unemployment Insurance Fund e-töötukassa at <https://www.tootukassa.ee/eng/tkauth/login>.

Office hours:

Mon, Wed, Thu 8:15 - 16:00
Tue 8:15 - 17:30
Fri 8:15 - 12:00

Information line: **15501**
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Insurance benefit upon redundancy (applied for by the employer for the employee)

The insurance benefit upon redundancy (hereafter **the redundancy benefit**) is granted to an employee or official whose employment relationship lasted for at least **five years** and

- whose employment contract was terminated on the grounds of redundancy **or**
- who terminated their employment contract on the basis of subsection 37 (5) of the Employment Contracts Act **or**
- whose service relationship was terminated based on section 90 of the Public Service Act.

The redundancy benefit is granted to employees or officials whose employment relationship or length of service lasted for:

- 5-10 years – the benefit is paid in the amount of **one month's** average salary or wages;
- 10+ years – the benefit is paid in the amount of **two months'** average salary or wages.

The amount of the benefit shall be calculated, based on the data in the unemployment insurance database, from the employee's or official's average salary or wages for one calendar day during a period of nine months. The average remuneration of the employee or official for one calendar day is calculated by dividing the total amount of remuneration for the nine months preceding the final three months of work by 270.

Granting and payment of redundancy benefit

In order to apply for the redundancy benefit, the employer shall submit, within **five calendar days** of the end of the employment or service relationship, an application in standard format to the Unemployment Insurance Fund. An application is deemed to be accepted as of the day the Unemployment Insurance Fund receives the application together with the documents conforming to the requirements.

The Unemployment Insurance Fund shall review the employer's application and make a decision on the granting of the redundancy benefit within 14 calendar days of the receipt of the application.

The benefit will be transferred to the **employee's or official's bank account** no later than on the fifth calendar day after the date of making the decision.

NB! Old-age pensioners also have the right to receive a redundancy benefit. You are not required to register as unemployed to receive a redundancy benefit.



Unemployment insurance benefit

You have the right to receive the unemployment insurance benefit if:

- you have registered as unemployed;
- you have submitted an application for the unemployment insurance benefit;
- your unemployment insurance period is at least 12 months during the three years prior to registration as unemployed;
- you did not terminate your last employment or service relationship on your own initiative (except in the cases specified in subsections 37 (5), 91 (2) and 107 (2) of the Employment Contracts Act), by agreement with the employer (subsection 79 of the Employment Contracts Act) or due to your own misconduct (clauses 88 (1) 3-8) of the Employment Contracts Act, section 94 of the Public Service Act).

For instance, you have the right to receive the unemployment insurance benefit if:

- you were made redundant;
- your institution was liquidated;
- your employment contract ended during a probationary period;
- the employer terminated the employment contract due to your long-term incapacity for work;
- your fixed-term employment contract ended etc.

If you were on pregnancy leave, maternity leave, adoptive parents leave or parental leave during the 36 months prior to registering as unemployed and your insurance period during these 36 months does not amount to at least 12 months, the 36-month period shall be extended by the time spent on leave.

***For instance**, if you want to register as unemployed at the beginning of December 2019, you generally have to have accumulated at least a 12-month insurance period between January 2017 and December 2019. However, if you were on pregnancy, maternity and parental leave for 22 months from February 2017 to the end of November 2018, the 36-month period for accumulating unemployment insurance will be extended by 22 months, i.e., at least 12 months of the insurance period must remain within the period from March 2015 to December 2019.*

Granting and payment of the benefit

You can submit the application for the unemployment insurance benefit at your nearest Unemployment Insurance Fund office or via e-portal of the Unemployment Insurance Fund (e-töötukassa).

If you have worked in Estonia prior to registering as unemployed and your employment relationship ended after 1 July 2014, the Unemployment Insurance Fund will use the data recorded in the employment register. In such a case, the employer does not need to provide the insured person with a certificate. If the data on your employment is not recorded in the employment register, the Unemployment Insurance Fund has the right to demand additional documentation.

Upon applying for the unemployment insurance benefit via e-portal of the Unemployment Insurance Fund e-töötukassa, you have to fill in online forms for registering as unemployed and receiving the unemployment insurance benefit. If your employment relationship ended before 1 July 2014, you have to submit the employer's certificate to the insured or, in its absence, a document on the termination of your last employment or service relationship.

Once you have submitted the application for the benefit and the required documents, the Unemployment Insurance Fund will make a decision on the granting of the benefit within two weeks of the receipt of the application. The decision will be sent to you electronically or made available to you at your local Unemployed Insurance Fund office. The calculation of an insurance period shall be terminated and the insurance period deemed to be zero as of the date you are granted an unemployment insurance benefit. The calculation of the insurance period shall begin again when you commence work.

Payment period

The Unemployment Insurance Fund will pay you the benefit for:

- 180 calendar days if your insurance period is less than 5 years;
- 270 calendar days if your insurance period is 5-10 years;
- 360 calendar days if your insurance period is 10+ years.

If you become eligible for the old-age pension during the benefit payment period, you will receive the unemployment insurance benefit until the date you attain pensionable age.

Benefit amount and calculation

The Unemployment Insurance Fund will obtain the data required for calculating the amount of the benefit from the Estonian Tax and Customs Board.

- The amount of the benefit is calculated on the basis of your average remuneration for one calendar day. The calculation takes into account the total amount of remuneration paid during the nine months preceding the final three months of work from which the unemployment insurance premium has been withheld. The total sum of the remuneration paid during the nine months of work is divided by 270, resulting in your average remuneration for one calendar day. The calculation of average remuneration for one calendar day does not take into account the remuneration you received for the final three months of work nor the remuneration from which the unemployment insurance period is not withheld (e.g. redundancy benefits and travel compensation etc).

Example. *If your employment contract was terminated in December, the remuneration received from October to December will not be taken into account. In such a case, the average remuneration for one calendar day will be calculated on the basis of the remuneration received from January to September. If you did not receive remuneration for all of the months during the period from January to December, the calculation will take into account the remuneration received before January.*

- The Unemployment Insurance Fund calculates the amount of benefit you receive for one calendar day on the basis of your average remuneration for one calendar day. The amount of the benefit is 60% of the average remuneration for one calendar day for the first 100 days and 40% thereafter.

Example. *Let us assume that your average remuneration for one calendar day was 30 euros. The daily amount of benefit you receive will be 18 euros for the first 100 days and 12 euros thereafter.*

The unemployment insurance benefit has both minimum and maximum rates.

The unemployment insurance benefit has both minimum and maximum rates. The respective maximum rates of the benefit are 60% and 40% of the average Estonian wage for one calendar day multiplied by three.

The insured person is always guaranteed the benefit at the minimum rate, i.e. 50% of the minimum wage rate per calendar day for the previous calendar year, even if the amount of the benefit the insured person receives based on the remuneration is smaller.

Payment

The Unemployment Insurance Fund generally calculates your benefit as of the eighth day after the submission of the application and appended documents. The unemployment insurance benefit for the previous month is transferred to your bank account by the 10th of each month.

Example. Let us assume that you submitted your application for the benefit on 1 November. In such a case, the Unemployment Insurance Fund will calculate your benefit as of 8 November and transfer the first payment by 10 December. Since the benefit is paid for the previous month, you will receive the benefit for 8-30 November (23 days) in December. If you do not find employment in December, the fund will pay you the benefit for the whole of December, i.e. 31 days, by 10 January.

Waiting period

If you were made redundant (section 89 of the Employment Contracts Act) or cancelled your employment contract because the employer failed to provide you with work to the agreed extent and reduced your wages (subsection 37 (5) of the Employment Contracts Act) and your employment relationship lasted for more than five years, you will be subject to a so-called **waiting period**.

The unemployment insurance benefit will be calculated and paid after the waiting period has passed. This does not shorten the payment period.

In such a case, your benefit will be calculated as of:

- 30 calendar days after the termination of the employment or service relationship if your employment lasted for 5-10 years
- 60 calendar days after the termination of the employment or service contract if your employment lasted for 10+ years.

Example. Let us assume that your employment relationship ended on 15 October 2017 on the grounds of redundancy and the length of your last employment period was 15 years and 2 months. You submitted your application for the benefit on 1 November. Since your employment lasted for 10+ years, you will be subject to a waiting period of 60 days as of the day your employment relationship ended. Consequently, the benefit payment period starts on 15 December 2017. The Unemployment Insurance Fund will calculate your benefit as of 15 December and transfer the first payment for 15-31 December (17 days) by 10 January 2018.

If the applicant requests that the basic exemption be taken into consideration, the Unemployment Insurance Fund will withhold the income tax from the amount of the benefit that exceeds the basic exemption limit before payment (20%).

Premature termination of payment

You are required to actively seek employment while receiving the unemployment insurance benefit. The Unemployment Insurance Fund has the right to terminate the payment of the benefit before the end of the payment period if:

- the Unemployment Insurance Fund terminates your status as unemployed due to you entering employment, registering as a sole proprietor, refusing to approve the individual action plan, reaching retirement age, becoming eligible for the early retirement pension, your own request etc.;
- you fail to attend a visit at the Unemployment Insurance Fund county office at least once every 30 days or at the time appointed to you without good reason;
- you refuse to comply with the individual action plan or refuse suitable work offered to you without a good reason.

Repeated application for the benefit

If the payment of your unemployment insurance benefit is terminated before the end of the payment period (e.g. when you enter employment) and you become unemployed again within 12 months since the date on which the period of payment finished for the first time, you can submit a new application to the Unemployment Insurance Fund.

You can do this if you have worked based on a contract of employment or contract under the law of obligations or in public service during the time between the two registration periods as unemployed and your last employment relationship ended for reasons that cannot be attributed to you.

Upon repeated application for the benefit, you do not have to have a 12-month insurance period and the benefit is paid for the days that were left unused the previous time.

Upon repeated application for the benefit within 12 months, the benefit is calculated as of the day the Unemployment Insurance Fund receives the application and appended documents, but no earlier than the day you register as unemployed.

Health insurance

People registered as unemployed are covered by health insurance as of the 31st day after registration. Health insurance is in force throughout the entire time the person is registered as unemployed and one month after their registration has been cancelled. If a person's registration as unemployed ends at the same time with their unemployment insurance benefit, their health insurance will apply for another two months after the end of provision of the benefit.

The 30-day waiting period is not applied if you receive unemployment insurance benefit or unemployment allowance, are participating in an 80-hour training course or work practice; instead, you will have health insurance from the day that you start receiving the benefit or start participating in one of the three aforementioned labour market services.



Jobseeker with notice of dismissal

Having received a notice of dismissal from your employer, you can register as a jobseeker even before you are made redundant. In order to do so, go to your nearest Unemployment Insurance Fund office and bring an identification document and your notice of dismissal with you.

You can also submit the application for registering as a jobseeker via e-portal of the Unemployment Insurance Fund e-töötukassa (logging in with your ID card).

If you have registered as a jobseeker with a notice of dismissal, the Unemployment Insurance Fund can help you in various ways, depending on your situation:

- **Job mediation** involves finding suitable work for the jobseeker and a suitable employee for the employer. The Unemployment Insurance Fund forwards suitable job offers to unemployed persons and jobseekers and seeks suitable candidates for employers based on their requirements.
- If a long period has passed since your last experience of job-seeking and applying for a position, visit our **career information room**. There you will receive advice on preparing your application documents and tips for successful applications. Should you require, you can use our computer to look for a job and prepare your documents.
- In order to improve and polish your job-seeking skills, participate in a **job search workshop**. There you will learn about the state of the local labour market, employers' expectations, how to use different job-seeking environments and what to keep in mind when applying for a position.
- Our **career counsellor** can assist you in choosing a profession or a position and help you to come to a decision by analysing your experience, skills, knowledge and personal traits.
- If securing a new position requires further training or retraining, you can participate in **labour market training**. You can continue to participate in training even after you have been made redundant without having to register as unemployed.
- If you need additional practical skills to apply for a position or start working in a new job, you can participate in a **work placement**. If you were referred to a work placement before you were made redundant, you can continue with your participation even after the employment relationship has been terminated without registering as unemployed.
- If you are planning on starting your own company, you can apply for a **business start-up subsidy** by submitting an application and your business plan even before you are made redundant. If we are not able to review your application or pay the subsidy before the termination of your employment relationship, we can continue processing the application and pay the subsidy only after you have registered as unemployed.
- **EURES** <https://www.eures.ee/> and <http://eures.europa.eu> job mediation in the European Union. If you apply for a job in the European Economic Area, we recommend consulting the EURES (European Employment Service) website for tips on what should be considered before commencing work in a foreign country. You can also consult EURES advisers on matters related to working in a foreign country.
- If you require further assistance in solving problems that prevent you from looking for a job or entering employment, we offer a range of **counselling services** (psychological, debt and addiction counselling). You can continue receiving counselling even after your employment relationship has ended without having to register as unemployed.

Regardless of which of the aforementioned services you are using, you must begin receiving the service before the end of your employment relationship by registering as a jobseeker with a notice of dismissal.

Successful job search!

