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## Labour Market Services and Benefits Act<sup>1</sup>

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Amended by the following acts

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22.10.2008	RT I 2008, 48, 264	01.02.2009
22.10.2008	RT I 2008, 48, 265	23.11.2008
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17.12.2008	RT I 2009, 5, 35	01.07.2009
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18.06.2009	RT I 2009, 36, 234	01.07.2009, partially 01.01.2013
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22.04.2010	RT I 2010, 22, 108	01.01.2011, enters into force on the date which has been determined in the Decision of the Council of the European Union regarding the abrogation of the derogation established in respect of the Republic of Estonia on the basis provided for in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision 2010/416/EU of 13.07.2010 (OJ L 196, 28.07.2010, pp. 24-26).
09.06.2010	RT I 2010, 41, 240	01.09.2010
08.12.2010	RT I, 21.12.2010, 2	01.01.2011
10.02.2011	RT I, 03.03.2011, 2	01.05.2011
23.02.2011	RT I, 25.03.2011, 1	01.01.2014; date of entry into force changed to 01.07.2014 [RT I, 22.12.2013, 1]
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14.06.2012	RT I, 02.07.2012, 8	01.08.2012
13.06.2012	RT I, 10.07.2012, 2	01.04.2013
10.10.2012	RT I, 25.10.2012, 1	01.12.2012
12.12.2012	RT I, 22.12.2012, 15	01.01.2013
12.12.2012	RT I, 22.12.2012, 14	01.07.2013

14.03.2013	RT I, 26.03.2013, 1	01.04.2013, partially 27.03.2013
20.06.2013	RT I, 06.07.2013, 2	16.07.2013
05.12.2013	RT I, 22.12.2013, 1	01.01.2014
12.12.2013	RT I, 22.12.2013, 4	01.01.2014
19.02.2014	RT I, 13.03.2014, 2	23.03.2014, partially 01.01.2015, 01.01.2017 and 01.01.2019
19.02.2014	RT I, 13.03.2014, 4	01.07.2014, partially 23.03.2014
26.02.2014	RT I, 21.03.2014, 1	31.03.2014
27.03.2014	RT I, 16.04.2014, 5	01.05.2014
26.03.2014	RT I, 16.04.2014, 3	01.07.2014
22.04.2014	RT I, 24.04.2014, 1	22.04.2014 - A judgment of the Supreme Court en banc declares to be in conflict with the Constitution and repeals subsection 41 (1) of the Labour Market Services and Benefits Act to the extent this does not prescribe the right of discretion of the Estonian Unemployment Insurance Fund upon reclamation in the case of failure to notify of circumstances which affect the receipt of labour market services or benefits.
21.05.2014	RT I, 04.06.2014, 2	01.09.2014, partially 05.06.2014
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19.11.2014	RT I, 13.12.2014, 1	01.01.2016, date of entry into force changed to 01.07.2016 [RT I, 17.12.2015, 1]
19.11.2014	RT I, 13.12.2014, 2	01.01.2016
18.02.2015	RT I, 12.03.2015, 4	01.10.2015, partially 01.03.2016
18.02.2015	RT I, 23.03.2015, 5	01.07.2015
15.06.2015	RT I, 30.06.2015, 2	01.01.2016, partially 01.09.2015
25.11.2015	RT I, 17.12.2015, 1	20.12.2015, partially 01.01.2016 and 01.07.2016
09.12.2015	RT I, 30.12.2015, 5	01.01.2016, partially 01.07.2016
16.03.2016	RT I, 06.04.2016, 1	01.05.2016

## Chapter 1 GENERAL PROVISIONS

### § 1. Purpose and scope of application of Act

(1) The purpose of this Act is, through the provision of labour market services and payment of labour market benefits, to achieve maximum possible employment rates among the working population, and to prevent their long-term unemployment and exclusion from the labour market.

(2) This Act regulates the maintenance of records concerning the unemployed and job-seekers, provision of labour market services, payment of labour market benefits and annual refunds to low-paid employees, preparation of employment programme based on the needs of the labour market, settlement of disputes arising from the implementation of this Act and liability for the violation of this Act.  
[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

(2<sup>1</sup>) This Act applies to annual refunds to low-paid employees to the extent provided for in Chapter 4<sup>1</sup>.  
[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

(3) The provisions of the Administrative Procedure Act apply to the administrative proceedings prescribed in this Act, taking account of the specifications provided for in this Act.

(4) The provisions of the Administrative Co-operation Act, except the provisions of § 5 thereof, apply to the entry into the contracts under public law specified in this Act, except for the contracts under public law specified in §§ 18, 20 and 21 of this Act, taking account of the specifications of this Act.

## § 2. Definitions

In this Act, the following definitions are used:

- 1) labour market services means the services provided to unemployed persons and job-seekers and other persons prescribed in this Act in order to assist them in finding employment and promote their professional development, and the services provided to employers in order to assist them in finding suitable labour force;  
[RT I 2009, 36, 234 - entry into force 01.07.2009]
- 2) a job-seeker is a person who is registered with the Estonian Unemployment Insurance Fund as a job-seeker and who is seeking employment and visits the Estonian Unemployment Insurance Fund at least once every ninety days in order to receive job mediation services;  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]
- 3) an unemployed person is a person who is not employed, has been registered as unemployed with the Estonian Unemployment Insurance Fund, and is seeking employment.  
[RT I, 03.03.2011, 2 - entry into force 01.05.2011]
- 4) a disabled unemployed person is an unemployed person who has a disability within the meaning of § 2 of the Social Benefits for Disabled Persons Act or who has been declared permanently incapacitated for work on the basis of the State Pension Insurance Act or whose category of disability has been determined for an unspecified term on the basis of the State Allowances Act or who has been established to have partial or no work ability on the basis of the Work Ability Allowance Act.  
[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

## § 3. Right to receive labour market services and benefits

The following have the right to receive the labour market services and benefits prescribed by this Act:

- 1) permanent residents of Estonia;
- 2) aliens residing in Estonia on the basis of temporary residence permits or temporary right of residence;
- 3) citizens of the European Union, European Economic Area and the Swiss Confederation staying in Estonia;
- 4) persons enjoying international protection staying in Estonia or applicants for international protection staying in Estonia, under the conditions provided for in the Act on Granting International Protection to Aliens;  
[RT I, 06.04.2016, 1 - entry into force 01.05.2016]
- 5) employers.  
[RT I 2006, 26, 191 - entry into force 01.08.2006]

## § 3<sup>1</sup>. Obligations of unemployed persons

- (1) Above all, unemployed persons are required:
  - 1) to participate in the preparation of an Individual Action Plan and comply with it;
  - 2) to appear in person at the Estonian Unemployment Insurance Fund for a visit at the prescribed time at least on one occasion within a period of thirty days;
  - 3) to be ready to accept a suitable work and to promptly commence work;
  - 4) to seek employment independently and notify the Estonian Unemployment Insurance Fund of the process of seeking employment.
- (2) an unemployed person is ready to promptly commence work if there are no circumstances which hinder his or her employment or such circumstances can be eliminated by measures provided in this Act or legislation issued on the basis thereof. Unemployed persons are presumed to stay in Estonia during seeking employment. Seeking employment abroad must be agreed with the Estonian Unemployment Insurance Fund beforehand.
- (3) In addition to the principal obligations listed in subsection (1) of this section, an unemployed person must perform other obligations arising from this Act and other legislation.
- (4) Instead of appearing in person at the Estonian Unemployment Insurance Fund for a visit, it can be agreed upon in the Individual Action Plan to contact the Estonian Unemployment Insurance Fund by phone or through an information technology solution which enables the identification of the person, if:
  - 1) according to the opinion of the Estonian Unemployment Insurance Fund, an unemployed person has the possibility to find employment independently in three months from the preparation of the first Individual Action Plan;
  - 2) the unemployed person participates in labour market services or in other measures which facilitate finding employment or  
[RT I, 17.12.2015, 1 - entry into force 01.01.2016]
  - 3) appearing at the Estonian Unemployment Insurance Fund for a visit is complicated due to restriction on movement or another special need caused by state of health or disability.  
[RT I, 17.12.2015, 1 - entry into force 01.01.2016]
- (4<sup>1</sup>) The information technology solution which enables the identification of a person is the electronic self-service environment of the Estonian Unemployment Insurance Fund available through the website of the Estonian Unemployment Insurance Fund.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(5) As agreed upon in the Individual Action Plan, contacting the Estonian Unemployment Insurance Fund by phone or through an information technology solution which enables the identification of the person is deemed to be equivalent to a personal visit.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

#### **§ 4. Organisation of provision of labour market services and grant of labour market benefits**

(1) The provision of labour market services prescribed in this Act shall be organised and the labour market benefits shall be granted by the Estonian Unemployment Insurance Fund. The Estonian Unemployment Insurance Fund shall ensure that unemployed persons, job-seekers and other persons prescribed in this Act and employers are able to exercise their rights and perform their obligations arising from this Act at least in each county.

[RT I 2009, 36, 234 - entry into force 01.07.2009]

(2) The labour market services specified in clauses 9 (1) 3)-13) of this Act shall be provided to unemployed persons and job-seekers and other persons prescribed in this Act by the department of the Estonian Unemployment Insurance Fund with which they have been registered as unemployed or as a job-seeker.

[RT I 2009, 36, 234 - entry into force 01.07.2009]

(3) Unemployed persons and job-seekers may change the department of the Estonian Unemployment Insurance Fund by submitting an application to such effect with the Estonian Unemployment Insurance Fund.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

#### **§ 4<sup>1</sup>. Employment programme**

(1) In order to achieve the purposes of this Act, increase the flexibility and efficiency of organisation of labour market policy, develop labour market services and benefits provided by this Act and establish new labour market measures, except for the payment of unemployment allowance, a temporary employment programme approved by the supervisory board of the Estonian Unemployment Insurance Fund shall be established by a regulation of the Government of the Republic. The supervisory board of the Estonian Unemployment Insurance Fund can approve the employment programme only if the minister responsible for the area is in favour of the employment programme as a member of the supervisory board of the Estonian Unemployment Insurance Fund.

(2) The project for the temporary employment programme shall be drafted by the Estonian Unemployment Insurance Fund in cooperation with the Ministry of Social Affairs. Upon preparation of the employment programme, state strategies and development plans, situation on the labour market, the need to develop labour market measures, the amount of the foundation of labour market services and benefits provided in the Unemployment Insurance Act and analyses of the effects of the provision of labour market services and payment of labour market benefits shall be taken into account.

(3) The employment programme shall establish at least the following:

- 1) general and sub-objectives of the programme;
- 2) duration of the programme;
- 3) financial volume of the programme;
- 4) activities carried out in the framework of the programme, including the classes and volume of the labour market services provided;
- 5) organisation of the provision of labour market services specified in the employment programme;
- 6) volume, bases and procedure for the calculation of the labour market benefits paid in the framework of the programme and the rates of the labour market benefits;
- 7) terms and procedure for submission of information and reports related to the implementation of the programme.

(4) The employment programme allows to:

- 1) establish labour market services and enable the provision of labour market services on more favourable conditions than provided in this Act based on the forecasts for labour supply and demand, changes in the situation on the labour market and the current situation on the labour market, the total number of the unemployed and job-seekers and the unemployed persons who are not registered at the Estonian Unemployment Insurance Fund, the possibility for the persons entitled to receive labour market services to find employment and the need to receive labour market services, the needs of employers and requirements for the skills and qualifications of employees, special needs of the risk groups of the labour market, the need of the employed persons to maintain competitiveness, or the demographic situation;
- 2) extend the circle of the persons entitled to use labour market services and receive labour market benefits based on the forecasts for labour supply and demand, changes in the situation on the labour market and the current situation on the labour market, the total number of the unemployed and job-seekers, special needs of the risk groups that need assistance in finding employment, persons at risk of losing their jobs and persons not actively seeking employment or the serious danger that employed persons may become unemployed and long-term unemployment may increase arising from the current situation on the labour market;
- 3) establish increased rates for labour market services and benefits based on the existence of reserves of the foundation of the labour market services and benefits of the Estonian Unemployment Insurance Fund, analyses of the effects of the provision of labour market services and payment of labour market benefits, special needs of

the persons using labour market services due to their place of residence, regional characteristics, or the location of the provision of labour market services.

(5) The employment programme shall be implemented by the Estonian Unemployment Insurance Fund.  
[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

#### **§ 5. Notification obligation**

(1) Unemployed persons, job-seekers, employers and other persons who receive labour market services and benefits are required to immediately inform the Estonian Unemployment Insurance Fund of any circumstances which result in the termination of registration of a person or termination of the right to receive labour market services and benefits.  
[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

(2) The persons specified in subsection 13 (1<sup>1</sup>) are required to immediately inform the Unemployment Insurance Fund if they discontinue labour market training.  
[RT I 2009, 36, 234 - entry into force 01.07.2009]

## **Chapter 2**

# **MAINTENANCE OF RECORDS CONCERNING UNEMPLOYED PERSONS, JOB-SEEKERS AND PROVISION OF LABOUR MARKET SERVICES**

#### **§ 6. Registration as unemployed or as job-seeker**

(1) In order to be registered as unemployed or as a job-seeker, a person shall personally submit an application and necessary documents to the Estonian Unemployment Insurance Fund at the local department of the Estonian Unemployment Insurance Fund or through an information technology solution which enables the identification of the person.  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(2) The application shall include the given name and surname, personal identification code or, in the absence thereof, date of birth, residential address and other contact details of the person. In addition, information concerning the circumstances listed in clauses 6 (5) 2)–7) and 9)–11) of this Act shall be included in the application for registration as unemployed.  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(2<sup>1</sup>) If a person who applies for registration as unemployed or as a job-seeker visits the Estonian Unemployment Insurance Fund personally, he or she shall present an identity document.  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(2<sup>2</sup>) The Estonian Unemployment Insurance Fund has the right to demand from a person who applies for registration as unemployed the submission of additional documents certifying the circumstances listed in clauses 6 (5) 2)–7) and 9)–11) of this Act or the absence thereof together with the application.  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(3) A person shall be registered as unemployed as of the date of submission of the corresponding application, but not earlier than as of the day following the day on which the circumstances specified in clauses (5) 1) and (5) 3)–11) of this section cease to exist or terminate. A person shall be registered as a job-seeker as of the date of submission of the corresponding application, but not earlier than as of the day following the day on which the circumstances specified in subsection (6) of this section cease to exist.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(4) The Estonian Unemployment Insurance Fund shall make a decision on the registration or non-registration of a person as unemployed or as a job-seeker not later than on the second working day after the submission of a proper application.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) A person shall not be registered as unemployed if the person:  
1) is less than sixteen years of age;  
2) has reached the pensionable age provided by § 7 of the State Pension Insurance Act or an early-retirement pension has been granted to him or her based on § 9 of that Act;  
[RT I 2010, 18, 97 - entry into force 16.05.2010]

3) is working based on a contract of employment, contract for services, authorisation agreement or contract under the law of obligations for provision of other services, or is in public service;

3<sup>1</sup>) is a member of the *Riigikogu*, a Member of the European Parliament, the President of the Republic, a member of the Government of the Republic, a judge, the Chancellor of Justice, the Auditor General, a Public Conciliator, the chairman or deputy chairman of a council of a local government working in remunerative positions, a member of a rural municipality or city government working in a remunerative position, including a rural municipality or city mayor, a rural municipality or city district elder;  
[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

3<sup>2</sup>) is engaged in a profession in public law as independent person;  
[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

4) is a member of the management board of a company, a procurator, a partner authorised to represent a general or limited partnership, the director of a branch of a foreign company or manager of another permanent establishment of a non-resident;  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

4<sup>1</sup>) is a member of the management or controlling body of a legal person specified in § 9 of the Income Tax Act who is not specified in clause 4) of this subsection if the person receives remuneration for such work;  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

5) is registered as a sole proprietor;

5<sup>1</sup>) is entered in the register of taxable persons as the spouse participating in the activity of the sole proprietor's enterprise;  
[RT I, 02.07.2012, 8 - entry into force 01.08.2012]

6) is a student enrolled in daytime study or full-time study at an educational institution unless the person enrolled in full-time study or in daytime vocational training has been engaged in an activity specified in clauses 26 (3) 1)–2) of this Act for at least 180 days during the last twelve months or is on academic leave;  
[RT I, 22.12.2013, 4 - entry into force 01.01.2014]

7) is in compulsory military service, alternative service or reserve service;  
[RT I, 10.07.2012, 2 - entry into force 01.04.2013]

8) [repealed - RT I, 16.04.2014, 5 - entry into force 01.05.2014]

9) does not conform to one of the terms and conditions provided by clauses 3 1)–4) of this Act.

10) is the non-working spouse accompanying an official working in a foreign mission of the Republic of Estonia to whom the spouse allowance is paid on the basis of subsection 67 (1) of the Foreign Service Act, or the non-working spouse accompanying an official on a long-term assignment abroad to whom the spouse allowance is paid on the basis of subsection 46 (1) of the Public Service Act;  
[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

11) receives the allowance of a rescue worker waiting for old-age pension on the basis of § 19 of the Rescue Service Act;  
[RT I 2008, 8, 57 - entry into force 01.03.2008]

(5<sup>1</sup>) A person shall not be registered as unemployed before ninety days pass from the last termination of the person's registration as unemployed if the person's last two consecutive registrations as unemployed were terminated during the twelve months prior to the submission of the application for registration as unemployed based on clauses 7 (1) 1), 2), 4), 5) or 6) of this Act.  
[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(6) A person shall not be registered as a job-seeker if he or she:

1) is less than thirteen years of age;

2) does not conform to one of the terms and conditions provided by clauses 3 1)–4) of this Act.

[RT I 2006, 26, 193 - entry into force 01.01.2007]

## § 7. Termination of registration as unemployed or as job-seeker

(1) The Estonian Unemployment Insurance Fund shall make a decision on termination of a person's registration as unemployed if:

[RT I 2009, 11, 67 - entry into force 01.05.2009]

1) the unemployed person fails, at least on one occasion within a period of thirty days, to appear at the Estonian Unemployment Insurance Fund for a visit, except in the case where the unemployed person was unable to appear for a visit for a good reason;

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

2) the unemployed person fails, without a good reason, to appear at the Estonian Unemployment Insurance Fund for a visit at the prescribed time for the third time;

[RT I 2009, 11, 67 - entry into force 01.05.2009]

3) in the cases listed in clauses 6 (5) 2)–11) of this Act;

[RT I 2008, 48, 265 - entry into force 23.11.2008]

4) the unemployed person refuses to approve the Individual Action Plan;

5) the unemployed person refuses, without a good reason, to comply with the Individual Action Plan for the third time;

6) the unemployed person refuses, without a good reason, to accept suitable work for the third time;

7) business start-up subsidy has been transferred to the bank account of the unemployed person;

8) at the request of the unemployed person;

9) upon the death of the unemployed person;

10) the unemployed person is not ready to promptly commence work.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(2) The Estonian Unemployment Insurance Fund shall make a decision on termination of a person's registration as a job-seeker if:

1) ninety days have passed from the last time that the job-seeker visited the Estonian Unemployment Insurance Fund;

[RT I 2009, 11, 67 - entry into force 01.05.2009]

2) at the request of the job-seeker;

3) in the case provided by clause 6 (6) 2) of this Act;

4) upon the death of the job-seeker.

## **§ 8. Register of persons registered as unemployed or job-seekers, and of provision of labour market services**

(1) The register of persons registered as unemployed or job-seekers, and of provision of labour market services (hereinafter *register*) is a national register within the meaning of the Public Information Act established by the Government of the Republic with the objective to provide the Estonian Unemployment Insurance Fund and the Ministry of Social Affairs with the data necessary for the performance of the duties imposed by this Act and other Acts.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(2) The statutes for the maintenance of the register shall be established by the Government of the Republic.

(3) The chief processor of the register is the Estonian Unemployment Insurance Fund.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(4) The register shall contain the following:

1) the personal data of the unemployed persons, job-seekers and persons, who are not registered as unemployed or as job-seekers and who receive labour market services, based on the data in the Estonian population register or identity documents;

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

2) data on the length of the period during which an unemployed person or job-seeker has been registered;

3) information which constitutes the basis for provision of labour market services and grant of labour market benefits;

4) information on labour market services provided and labour market benefits paid to a person;

5) information on aliens who have applied for permission to work in Estonia;

6) information on employers and on free positions offered by them.

(5) The Estonian Unemployment Insurance Fund shall submit statistical data concerning the situation on the labour market necessary for statistical and scientific studies to the Ministry of Social Affairs.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5<sup>1</sup>) The Estonian Unemployment Insurance Fund shall submit data from the register to the database established on the basis of § 8<sup>1</sup> of this Act to the extent and pursuant to the procedure provided by the statutes of the database.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(6) The content and procedure for submission of the data specified in subsection (5) of this section shall be established by a regulation of the minister responsible for the area.

## **§ 8<sup>1</sup>. Labour policy information system**

(1) The minister responsible for the area shall establish the "Labour policy information system" state agency database (hereinafter *database*) in order to analyse labour problems, make knowledge-based labour policy decisions, monitor the policy measures of agencies in the area of government of the Ministry of Social Affairs and other authorities implementing the labour policy, and assess the effectiveness of the labour policy for the purpose of development of an effective and efficient labour policy.

(2) The statutes for the maintenance of the database shall be established by the minister responsible for the area.

(3) The Ministry of Social Affairs is the chief processor of the database.

(4) The database contains person-based and case-based data on:

1) the unemployed, job-seekers, aliens applying for permission to work in Estonia, the insured and unemployment insurance benefit recipients under the Unemployment Insurance Act, and employers;

2) registration of persons as unemployed or job-seekers;

3) labour market services and benefits;

- 4) disabilities, incapacity for work, partial or no work ability;  
[RT I 13.12.2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]
- 5) benefits paid to caregivers of disabled children and disabled adults;
- 6) parental benefit;
- 7) payment of social tax;
- 8) compensation for physical harm arising from a work-related injury;
- 9) unemployment insurance benefit and benefits paid in the case of lay-offs and insolvency of employers;  
[RT I 2009, 5, 35 - entry into force 01.07.2009]
- 10) occupational accidents and work-related illnesses;
- 11) supervision exercised by the Labour Inspectorate and labour disputes.

(5) The database shall be maintained in a manner that does not allow for direct identification of persons. Only the personal identification code is recorded in the database out of the data allowing for direct identification of persons and it is encoded before further processing, turning the personal identification code into a unique replacement code. It is prohibited to decode the replacement code. Personal data may be processed only to the permitted extent which is necessary for achievement of the goal of the database.  
[RT I 2007, 59, 381 - entry into force 26.11.2007]

## **Chapter 3**

# **LABOUR MARKET SERVICES**

## **Division 1**

### **General Provisions**

#### **§ 9. Classes of labour market services and principles of provision thereof**

- (1) The classes of labour market services are:
- 1) provision of information on the situation on the labour market, and of the labour market services and benefits;
  - 2) job mediation;
  - 3) labour market training;
  - 4) career counselling;
  - 5) work practice;
  - 6) public work;
  - 7) coaching for working life;
  - 8) wage subsidy;
  - 9) business start-up subsidy;  
[RT I 2008, 48, 265 - entry into force 23.11.2008]
  - 10) adaptation of premises and equipment;
  - 11) special aids and equipment;  
[RT I, 13.12.2014, 2 - entry into force 01.01.2016]
  - 12) communication support at interviews;
  - 13) working with support person.
  - 13<sup>1</sup>) occupational rehabilitation;  
[RT I, 13.12.2014, 2 - entry into force 01.01.2016]
  - 14) labour market services established by the employment programme provided in § 4<sup>1</sup> of this Act.  
[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

(2) Unemployed persons shall receive the labour market services specified in subsection (1) of this section based on the Individual Action Plan. Job-seekers and unemployed persons engaged in full-time study or in daytime vocational training, including those on academic leave, shall receive the labour market services specified in clauses (1) 1), 2) and 4) of this section on the terms and conditions provided for in this Act. Persons who are not registered as unemployed or as job-seekers have the right to receive information concerning the situation on the labour market as well as the labour market services and benefits and receive other labour market services on the terms and conditions provided by this Act. Employers shall receive the labour market services specified in clauses (1) 1) and 2) of this section.  
[RT I, 22.12.2013, 4 - entry into force 01.01.2014]

(3) The provision of labour market services must facilitate the engagement in and continuation of employment of the persons and must assist employers in finding suitable labour force.  
[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(4) Labour market services shall be provided based on the profession, work experience, needs and possibilities of the persons and on their right to freely choose work, on the needs and rights of employers to freely choose their labour force, and on the situation on the labour market. The provision of labour market services shall be decided by the Estonian Unemployment Insurance Fund.  
[RT I 2009, 36, 234 - entry into force 01.07.2009]



(5) The labour market services specified in clauses (1) 10)–13) of this section shall be provided only to unemployed persons with a disability on the condition that such services need to be provided in order to eliminate disability-related hindrances of commencing work or working and that other labour market services will not be effective for finding work for the disabled persons.

(6) Upon provision of labour market services and other assistance necessary for finding work to unemployed persons, the Estonian Unemployment Insurance Fund shall cooperate with local governments, local government agencies and other service providers. The Estonian Unemployment Insurance Fund has the right to involve experts in assessment of the need for labour market services, provision of labour market services and organisation of the provision of labour market services.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

## **§ 9<sup>1</sup>. Specifications for provision of occupational rehabilitation service**

(1) The occupational rehabilitation service is provided to an unemployed disabled person, unless the person has been established to have no work ability on the basis of the Work Ability Allowance Act.

(2) The occupational rehabilitation service is provided to a job-seeker and a person who is not registered as unemployed or as a job-seeker provided that:

1) the person has a disability for the purposes of § 2 of the Social Benefits for Disabled Persons Act, the person has been declared permanently incapacitated for work on the basis of the State Pension Insurance Act, the person's category of disability has been determined for an unspecified term on the basis of the State Allowances Act or the person has been established to have partial work ability on the basis of the Work Ability Allowance Act;

2) the person is engaged in an activity specified in clauses 6 (5) 3)–5<sup>1</sup>) of this Act or is acquiring basic, general secondary, vocational or higher education;

3) the person is between the age of sixteen and the age of retirement and does not receive an early retirement pension or the allowance of a rescue worker waiting for old-age pension.

(3) The occupational rehabilitation service shall not be provided to a person specified in subsections (1) and (2) of this section if the person is entitled to receive the social rehabilitation service or social rehabilitation service is provided to the person on the basis of the Social Welfare Act. The Estonian Unemployment Insurance Fund has the right to receive data from the Social Insurance Board concerning the provision of the social rehabilitation service to a person.

(4) A person who has been referred to receive the occupational rehabilitation service and whose circumstances which constitute the basis for the provision of the service change during the receipt of the service may receive the occupational rehabilitation service to which the person has been referred until the end of the service on the changed basis.

(5) A person who has been referred to receive the occupational rehabilitation service and for whom the right to receive the social rehabilitation service on the basis of the Social Welfare Act arises during the receipt of the service may receive the occupational rehabilitation service until the end of the occupational rehabilitation service.

(6) The occupational rehabilitation service is provided on the basis of the principles provided for in subsections 9 (2), (3), (4) and (6) of this Act, taking into account the specifications provided for in this section.

(7) The occupational rehabilitation service is provided to a job-seeker and a person who is not registered as unemployed on the basis of an Individual Action Plan prepared in cooperation between the person and the Estonian Unemployment Insurance Fund and it shall set out the data provided for in clauses 10 (2) 1)–3), 5), 9) and 10) of this Act.

[RT I, 17.12.2015, 1 - entry into force 01.07.2016]

## **§ 10. Individual Action Plan**

(1) The objective of preparation of the Individual Action Plan is to plan the activities necessary for finding employment for, commencement of employment by and continuation of employment of the person.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(2) The Individual Action Plan shall set out:

1) the name and personal identification code or date of birth of the unemployed person;

2) description of the professional and occupational skills of the person and other circumstances which facilitate or hinder commencement and continuation of employment;

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

3) the applications of the unemployed person to the Estonian Unemployment Insurance Fund for finding employment and receiving labour market services;

4) recommendations of a career counsellor if the unemployed person has received career counselling;  
5) the activities and labour market services necessary for commencement and continuation of employment, and other measures, the persons required to take such measures and the schedule for taking the measures.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

6) the assessment of whether seeking employment independently and the provision of labour market services specified in clauses 9 (1) 1) and 2) of this Act is sufficient during the following three months as of the preparation of an Individual Action Plan or whether other services must be provided to the unemployed person;

7) the time of the visit to the Estonian Unemployment Insurance Fund or the time and means of communication in case contacting the Estonian Unemployment Insurance Fund by phone or through an information technology solution which enables the identification of the person has been agreed on;

8) information on compliance with the Action Plan and on seeking employment independently;

9) the name and position of the person who prepared the plan;

10) the time of the preparation or amendment of the Action Plan.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(3) The Individual Action Plan shall be prepared in cooperation between the unemployed person and the Estonian Unemployment Insurance Fund within thirty days from the registration of the person as unemployed.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(4) In order to prepare the Individual Action Plan the Estonian Unemployment Insurance Fund shall conduct an interview with the unemployed person which shall:

1) determine the type of employment the unemployed person is seeking and the possibilities for finding employment;

2) determine and improve the unemployed person's knowledge of seeking employment;

3) provide an overview of the possibilities for finding the employment the person is seeking;

4) assess which labour market services are necessary for employment;

5) assess the possibilities for the unemployed person to find employment independently. The assessment given by the Estonian Unemployment Insurance Fund shall be based on the education, profession and work experience of the unemployed person, the situation on the labour market and whether the unemployed person belongs to a risk group.

6) determine other measures and activities that facilitate employment.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(5) The following belong to the risk group specified in subsection (4) of this section:

1) unemployed persons with disabilities who, due to the disabilities, need additional help upon commencing employment;

2) unemployed persons of sixteen up to twenty-four years of age;

3) unemployed persons released from prison within the twelve months preceding registration as unemployed;

4) unemployed persons of fifty five years up to the pensionable age;

5) [repealed - RT I 2008, 58, 329 - entry into force 01.03.2009]

6) unemployed persons who, prior to their registration as unemployed, have been caring for a disabled person, to whom a rural municipality or city government has paid an allowance for such care, and who have not been employed or engaged in an activity equal to work during the twelve months prior to their registration as unemployed;

[RT I 2008, 58, 329 - entry into force 01.03.2009]

7) the long-term unemployed who, for at least the twelve months immediately preceding registration as unemployed, have not engaged in the work specified in subsection 26 (3) of this Act or in an activity equal to work. A young person of sixteen up to twenty-four years of age is deemed to be a long-term unemployed if he or she, for at least six months immediately preceding registration as unemployed, has not been engaged in the work specified in subsection 26 (3) of this Act or in an activity equal to work;

[RT I 2008, 48, 265 - entry into force 23.11.2008]

8) unemployed persons who are not proficient in Estonian and whose employment is difficult for such reason.

9) any other unemployed person whose possibility to find employment is particularly hindered.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(6) An unemployed person shall certify his or her approval of the Individual Action Plan by a signature. The Individual Action Plan may be amended as necessary. The unemployed person shall approve the amendments by a signature.

(6<sup>1</sup>) If an unemployed person has not found employment during three months from the preparation or amendment of an Individual Action Plan, the expediency of the activities, labour market services and other measures prescribed by the Action Plan shall be assessed and, if necessary, a new interview shall be conducted and the Action Plan shall be amended. The expediency of an Individual Action Plan shall not be assessed during the time the unemployed person is participating in a labour market service.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(7) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]

## Division 2

# Labour Market Services and Terms and Conditions for Provision Thereof

## § 11. Provision of information on situation on labour market, and of labour market services and benefits

Provision of information on the situation on the labour market, and of the labour market services and benefits shall mean the provision of information on the status and changes of the labour market as well as on the content of labour market services, the terms and conditions for receiving such services, and the terms and conditions for receiving labour market benefits.

## § 12. Job mediation

(1) Job mediation shall mean finding suitable work for unemployed persons and job-seekers, and finding suitable employees for employers.

(2) [Repealed - RT I, 25.03.2011, 1 - entry into force 01.07.2014 (entry into force changed - RT I, 22.12.2013, 1)]

(3) Work suitable for an unemployed person during the first twenty weeks after registration as unemployed is deemed to be employment:

- 1) which is not contraindicated due to health reasons;
- 2) in the case of which the journey from the place of residence to the place of work of the person by public transport will not take longer than two hours a day and will not cost more than 15 % of the person's monthly wages;  
[RT I 2008, 48, 265 - entry into force 23.11.2008]
- 3) which corresponds to the education, profession and earlier work experience of the unemployed person, and
- 4) for which a salary of at least 60 % of the person's average monthly income subject to social tax but not less than two times the minimum wage established under subsection 29 (5) of the Employment Contracts Act is offered. In calculating a person's average income of one month subject to social tax, the first three months out of the six months before registration of the person as unemployed shall be taken into account.  
[RT I 2009, 11, 67 - entry into force 01.07.2009]

(4) Work suitable for an unemployed person as of the twenty first week after registration as unemployed is deemed to be employment:

- 1) which is not contraindicated due to health reasons;
- 2) which may be temporary;
- 3) in the case of which the journey from the place of residence to the place of work of the person by public transport will not take longer than two hours a day and will not cost more than 15 % of the person's monthly wages;  
[RT I 2008, 48, 265 - entry into force 23.11.2008]
- 4) for which a salary, upon full-time employment, is higher than the unemployment insurance benefit received by the person for the same period but not lower than the minimum monthly wage established under subsection 29 (5) of the Employment Contracts Act is offered, and  
[RT I 2009, 11, 67 - entry into force 01.07.2009]
- 5) which need not correspond to the education, profession or earlier work experience of the unemployed person.

(4<sup>1</sup>) If a person is re-registered as unemployed within six months from the termination of his or her previous registration as unemployed and he or she has not been working or been engaged in an activity equal to work specified in subsection 26 (3) of this Act, suitable work for the person shall be determined taking into account the periods within the last twelve months during which he or she has been registered as unemployed. If a person has been registered as unemployed for twenty weeks or less in total within the last twelve months, work suitable for him or her shall be deemed to be employment corresponding to subsection (3) of this section, and as of the twenty-first week of registration as unemployed work suitable for such person shall be deemed to be employment corresponding to subsection (4) of this section. As of the twenty-first week of registration as unemployed calculated by adding up the periods of registration as unemployed within the last twelve months, work suitable for the unemployed shall be deemed to be employment corresponding to subsection (4) of this section.  
[RT I 2008, 48, 265 - entry into force 01.05.2009]

(5) Any work which a person seeking employment deems to be suitable to him or her is deemed to be work suitable for the person seeking employment.

### **§ 13. Labour market training**

(1) Labour market training is in-service training organised for unemployed persons and other persons on the terms and conditions provided by this Act, during which the persons receive or develop professional or other skills which facilitate their employment. Labour market training shall last for a period of up to one year.  
[RT I, 23.03.2015, 5 - entry into force 01.07.2015]

(1<sup>1</sup>) Person, sent to labour market training during the time he or she was registered as unemployed and the registration was terminated due to the start of work based on a contract of employment, contract for services, authorisation agreement or contract under the law of obligations for provision of other services, or started in public service, has the right to participate in the labour market training, unless otherwise provided by this Act.  
[RT I 2009, 36, 234 - entry into force 01.07.2009]

(2) The Estonian Unemployment Insurance Fund orders labour market training from managers of in-service training institutions for the purposes of the Adult Education Act.  
[RT I, 23.03.2015, 5 - entry into force 01.07.2015]

(3) In order to arrange for labour market training, the Estonian Unemployment Insurance Fund shall enter into a contract under public law with an agency or person specified in subsection (2) of this section, and the contract shall determine:

- 1) the number of participants in the labour market training;
  - 2) the time and duration of the labour market training in training hours, and the training plan;
  - 3) the method of assessment of training results;
  - 4) the total cost of the labour market training and cost per person per one training hour;
  - 5) conditions of payment for the labour market training.
- [RT I 2009, 11, 67 - entry into force 01.05.2009]

(4) A labour market training provider is required to:

- 1) keep account of the participants in the labour market training and submit the data once a month to the Estonian Unemployment Insurance Fund;  
[RT I 2009, 11, 67 - entry into force 01.05.2009]
- 2) comply with the requirements for conducting in-service training and issuing certificates provided for in the in-service training standard, unless otherwise agreed in a contract under public law;  
[RT I, 23.03.2015, 5 - entry into force 01.07.2015]
- 3) adhere to the curriculum.  
[RT I, 23.03.2015, 5 - entry into force 01.07.2015]

(5) The Estonian Unemployment Insurance Fund has the right to review the level of organisation of training by engaging experts and making inquiries.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

### **§ 14. Career counselling**

Career counselling means making recommendations on the further education, career choices, training or work corresponding to the personal characteristics, education and skills of unemployed persons and persons who have received notice of termination of their employment or service relationship. The aim of career counselling is to advise persons in matters related to the choice of employment or profession, access to employment and career formation.

### **§ 15. Work practice**

(1) Work practice is a labour market service for gaining practical experience provided to unemployed persons by employers with the aim to improve the knowledge and skills needed for the employment of the unemployed persons.  
[RT I 2008, 48, 265 - entry into force 23.11.2008]

(2) In order to arrange for work practice, the Estonian Unemployment Insurance Fund shall enter into a contract under public law with the employer, and the contract shall determine the following:  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

- 1) the number of persons participating in work practice;
- 2) the content of work practice;
- 3) the duration of work practice.

(2<sup>1</sup>) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]

(3) The duration of work practice shall be up to four months.  
[RT I 2009, 5, 35 - entry into force 01.07.2009]

(4) An unemployed person shall keep a training record book concerning his or her participation in work practice. A training record book shall contain descriptions of performed duties and the employer's assessment of performance of the duties. An unemployed person is required to submit the training record book to the Estonian

Unemployment Insurance Fund not later than on the fifth day of each month. The Estonian Unemployment Insurance Fund may demand the submission of training record books also at another time.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) An employer is required to keep record of the participants in work practice and to submit not later than on the fifth day of each month the data on the number of days attended to the Estonian Unemployment Insurance Fund.  
[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(5<sup>1</sup>) Employers shall ensure supervision of the unemployed. One supervisor may have as many as four supervisees.  
[RT I 2008, 48, 265 - entry into force 23.11.2008]

(6) Employers shall receive remuneration for supervision based on the data specified in subsection (5) of this section for supervising work practice. For each practice day attended by an unemployed person, the employer shall receive remuneration for supervision in the amount of 100 per cent of the daily rate of remuneration for supervision during the first month, 75 per cent of the daily rate of remuneration for supervision during the second month and 50 per cent of the daily rate of remuneration for supervision during the third and fourth month the unemployed person participates in work practice. The daily rate of remuneration for supervision shall be eight times the minimum wage established under subsection 29 (5) of the Employment Contracts Act per hour.  
[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(7) The remuneration for supervision shall be paid to the bank account of an employer once a month within ten working days after submission of the data specified in subsections (4) and (5) of this section.

(8) The Estonian Unemployment Insurance Fund has the right to review the level of organisation of work practice by engaging experts and making inquiries.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(9) No employment contract shall be concluded for the period of work practice and labour legislation shall not apply to work practice, except for § 7, subsections 8 (1), 8 (2), 8 (6), 43 (1), 43 (2), clauses 43 (4) 2) and 4), and §§ 47, 49 and 53 of the Employment Contracts Act, and the Occupational Health and Safety Act.  
[RT I 2009, 5, 35 - entry into force 01.07.2009]

## **§ 16. Public work**

(1) Public work is paid work which does not require professional, special or occupational preparation.

(2) An unemployed person is sent for public work with his or her consent for the period of up to ten working days but not for more than for up to fifty days during one month. An unemployed person shall participate in public work for eight hours per day or up to twenty five hours per week. An unemployed person who is 16–17 years of age shall participate in public work for up to seven hours per day or up to twenty five hours per week.

(3) The Estonian Unemployment Insurance Fund shall enter into a contract under public law with a local government unit, non-profit association or foundation (hereinafter *organiser of public work*) in order to arrange for public work. A contract under public law shall specify:

[RT I 2009, 11, 67 - entry into force 01.05.2009]

- 1) the type of public work;
- 2) the place and duration of work;
- 3) the number of unemployed persons to be engaged;
- 4) the rights and obligations of the unemployed persons engaged in public work;
- 5) the amount of remuneration payable to the unemployed persons engaged in public work and the terms and conditions for payment thereof;
- 6) the procedure for keeping account of the persons engaged in public work and the procedure for submission of corresponding data to the Estonian Unemployment Insurance Fund.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(4) Before sending an unemployed person for public work, the Estonian Unemployment Insurance Fund is required to allow the person to examine the contract under public law specified in subsection (3) of this section and to explain the rights and obligations upon participation in public work to the person.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) The organiser of public work shall keep record of the persons engaged in public work, transfer the data once a week to the Estonian Unemployment Insurance Fund pursuant to the contract under public law specified in subsection (3) of this section, and shall immediately inform the Estonian Unemployment Insurance Fund of any problems related to the unemployed persons engaged in public work.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(6) An unemployed person engaged in public work shall be remunerated by the organiser of public work. The minimum hourly wage payable for public work is the minimum hourly wage established under subsection 29 (5) of the Employment Contracts Act.

[RT I 2009, 11, 67 - entry into force 01.07.2009]

(7) No employment contract shall be concluded for the period of public work and labour legislation shall not apply to public work, except for § 7, subsections 8 (1), 8 (2), 8 (6), clause 43 (4) 2), and §§ 47, 49 and 53 of the Employment Contracts Act, and the Occupational Health and Safety Act.

[RT I 2009, 5, 35 - entry into force 01.07.2009]

### **§ 17. Coaching for working life**

(1) Coaching for working life is a labour market service for restoring the work habits of or gaining the first work habits by unemployed persons. The aim of coaching for working life is to prepare an unemployed person for working.

(2) The duration of coaching for working life is up to three months.

(3) The Estonian Unemployment Insurance Fund shall provide the coaching for working life service or enter into a contract under public law for the provision of the service, which shall specify:

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

- 1) the schedule for coaching for working life;
- 2) skills to be taught and their planned level;
- 3) place of coaching for working life;
- 4) duration of coaching for working life;
- 5) the number of unemployed persons to participate;
- 6) the total cost of coaching for working life and price per one participant;
- 7) the procedure for keeping account of the persons participating in coaching for working life and the procedure for submission of corresponding data to the Estonian Unemployment Insurance Fund;

[RT I 2009, 11, 67 - entry into force 01.05.2009]

- 8) the terms and conditions for payment for the provision of the coaching for working life service.

(3<sup>1</sup>) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]

(4) An organiser of coaching for working life shall keep record of the persons participating in the coaching for working life and transfer the relevant data at least on one occasion during every thirty days to the Estonian Unemployment Insurance Fund pursuant to the contract under public law specified in subsection (3) of this section.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) The Estonian Unemployment Insurance Fund has the right to review the level of organisation of coaching for working life by engaging experts and making inquiries.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(6) No employment contract shall be concluded for the period of coaching for working life and labour legislation shall not apply to coaching for working life, except for § 7, subsections 8 (1), 8 (2), 8 (6), 43 (1), 43 (2), clauses 43 (4) 2) and 4), and §§ 47, 49 and 53 of the Employment Contracts Act, and the Occupational Health and Safety Act.

[RT I 2009, 5, 35 - entry into force 01.07.2009]

### **§ 18. Wage subsidy**

(1) Wage subsidy is a benefit payable to employers for employing unemployed persons.

(2) Wage subsidy may be paid for the employment of an unemployed person who:

- 1) has been registered as unemployed for at least twelve consecutive months;
- 2) is of 16–24 years of age and has been registered as unemployed for at least six consecutive months;
- 3) has been registered as unemployed for at least 12 months within 15 months and whose registration as unemployed has in the meantime been terminated under the circumstances provided for in clauses 6 (5) 3)–3<sup>2</sup>) or 7) of this Act;
- 4) has been released from prison within the twelve months preceding registration as unemployed;

(3) A natural person, legal person in private law or local government agency may apply for wage subsidy upon employment of an unemployed person specified in subsection (2) of this section on the basis of an employment contract for an unspecified term or a term of at least six months.

(4) In order to pay wage subsidy, the Estonian Unemployment Insurance Fund shall enter into a contract under public law with a person specified in subsection (3) of this section, and the contract shall set out:

- 1) the data of the person to be employed with wage subsidy;
- 2) the period of payment of wage subsidy;
- 3) estimated amount of monthly wages;
- 4) the duties of the employer;

5) time of expiry of the contract.

(5) The size of wage subsidy in one calendar month shall be 50 per cent of the wage costs of the employee but not more than 50 per cent of one month's estimated wages of the employee provided for in the contract under public law and not more than the minimum wage established on the basis of subsection 29 (5) of the Employment Contracts Act. The wage costs shall include the wages of the employee and other remuneration from which unemployment insurance premium is withheld on the basis of the Unemployment Insurance Act, except holiday pay compensated from the state budget on the basis of § 66 of the Employment Contracts Act.

(6) The size of wage subsidy shall be calculated on the basis of the data in the unemployment insurance database established on the basis of § 35 of the Unemployment Insurance Act.

(7) Wage subsidy shall be paid for six months as of commencement of work by a person. Upon employment for a specified term, wage subsidy shall be paid for half of the term of the employment relationship but not longer than for six months. Wage subsidy shall be paid for calendar months during which remuneration has been paid to the person from which unemployment insurance premium has been withheld according to the data in the unemployment insurance database established on the basis of § 35 of the Unemployment Insurance Act. Wage subsidy shall not be paid during a period longer than twelve months from the entry into a contract under public law.

(8) An employer is required to submit to the Estonian Unemployment Insurance Fund information concerning holiday pay which the employer has been compensated for from the state budget on the basis of § 66 of the Employment Contracts Act and, at the request of the Estonian Unemployment Insurance Fund, information and documents necessary for verification of the size of wage subsidy.

(9) An employer shall return a wage subsidy in full if the employment relationship is terminated on the initiative of the employer earlier than one year after entry into the employment contract or the employment relationship with a term shorter than one year is prematurely terminated on the initiative of the employer, except if the employment contract with the employee was cancelled on the basis of subsection 88 (1) of the Employment Contracts Act. The employer shall return holiday pay paid as wage subsidy which the employer has been compensated for from the state budget pursuant to § 66 of the Employment Contracts Act.  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

#### **§ 19. Business start-up subsidy**

(1) Business start-up subsidy may be applied for from the Estonian Unemployment Insurance Fund by an unemployed person who:

[RT I 2009, 11, 67 - entry into force 01.05.2009]

- 1) has attained at least 18 years of age, and
- 2) has completed business training, or has vocational or higher education in economics or experience in business.

(2) An unemployed person applying for business start-up subsidy shall submit the following to the Estonian Unemployment Insurance Fund:

- 1) an application;
  - 2) a business plan;
  - 3) copies of documents in proof of compliance with the requirement specified in clause (1) 2) of this section.
- [RT I 2009, 11, 67 - entry into force 01.05.2009]

(2<sup>1</sup>) Business start-up subsidy is granted for the commencement of economic activity through a new company being founded or as a sole proprietor.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(3) The Estonian Unemployment Insurance Fund shall decide on the grant of business start-up subsidy within thirty working days after submission of an application for subsidy.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(4) Business start-up subsidy shall not be granted:

- 1) for setting up the economic activity of an existing undertaking or for expanding its activities;
- 2) for acquiring shares in an existing company;
- 3) to a person with regard to whom a prohibition on business applies;
- 4) to a person who owes taxes to the state or a local government;
- 4<sup>1</sup>) to a person who is a child support debtor in enforcement proceedings;
- 5) to a person whose business plan involves high risk;
- 6) to a person who owns or owned during the six months preceding the submission of the application for subsidy a share of a general or limited partnership or more than 50 per cent of another company;

[RT I, 12.03.2015, 4 - entry into force 01.03.2016]

7) to a person who received business start-up subsidy on the basis of this Act during the three years preceding the submission of the application;

8) for operating in a field which is contrary to the public interest.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(5) Business start-up subsidy shall be transferred to the bank account of the unemployed person within ten working days as of the date on which the decision specified in subsection (3) of this section was made concerning the person.

(6) A person who has received business start-up subsidy must use it for the intended purpose in adherence to the submitted business plan.

(7) After the business start-up subsidy has been transferred, the Estonian Unemployment Insurance Fund shall inspect, at least twice a year, the economic activity of the person who received the business start-up subsidy and the documents certifying the use of the business start-up subsidy for the intended purpose. The first inspection shall take place within six months after the aid has been transferred.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(7<sup>1</sup>) If the economic activity prescribed by the business plan has commenced later than six months after the transfer of the aid to the bank account of the unemployed person with good reason, the inspection period specified in subsection (7) of this section shall be extended by the time by which the economic activity was commenced later, but not more than by six months.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(7<sup>2</sup>) The economic activity shall be deemed to have commenced if the person who received business start-up subsidy has founded the company prescribed by the business plan or has been entered in the commercial register as a sole proprietor and the company has commenced the activities planned in the business plan.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(8) The recipient of business start-up subsidy shall return the aid in full under the following circumstances:

1) the economic activity prescribed by the business plan has not commenced within six months after the date on which the funds were transferred to the person's bank account, unless the person has good reason for not starting the economic activity;

1<sup>1</sup>) the economic activity prescribed by the business plan has not commenced within six months after the date on which the aid was transferred to the bank account with good reason and has not commenced within 12 months after the date on which the aid was transferred to the bank account regardless of the reason;

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

2) the economic activity prescribed by the business plan stops before one year has passed from the date on which the funds were transferred to the person's bank account, unless the economic activity stops for a good reason;

3) the person who received business start-up subsidy transfers, within one year after the date on which the funds were transferred to the person's bank account, the person's share in the share capital of the company which was set up with the aid;

4) business start-up subsidy is not used for its intended purpose;

5) business start-up subsidy was used for the purpose specified in clauses (4) 1) and 2) of this section.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(8<sup>1</sup>) If a part of the aid has not been used for its intended purpose, the Estonian Unemployment Insurance Fund may require the recipient of business start-up subsidy to partially return the aid.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(9) The upper limit for business start-up subsidy shall be established by the state budget for each budget year. A new upper limit for business start-up subsidy must not be lower than the upper limit in force.

## **§ 20. Adaptation of premises and equipment**

(1) Adaptation of premises and equipment means the rendering of an employer's construction works, facilities, workstations or equipment accessible to and fit for use by a disabled person.

(2) The Estonian Unemployment Insurance Fund shall enter into a contract under public law with the employer whose premises and equipment are to be adjusted. A contract under public law shall specify:

[RT I 2009, 11, 67 - entry into force 01.05.2009]

1) the object of adjustment;

2) the time of completion of the adjustment;

3) the time of employment of the unemployed disabled person;

4) the cost of the adjustment.

(2<sup>1</sup>) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]



(3) After a disabled person commences employment or service with an employer, the Estonian Unemployment Insurance Fund shall compensate the employer for 50 to 100 per cent of the cost of the adjustment based on the reasonableness of the expenses for eliminating disability-related hindrances.  
[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(4) [Repealed - RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(5) An employer shall return, in full, the amount of support received in compensation for the adaptation of premises or equipment from the Estonian Unemployment Insurance Fund if the relevant employment or service relationship is terminated on the initiative of the employer earlier than three years after entry into the contract of employment or appointment to the position, except in the cases where:

1) the public servant has been released from service on the basis of subsection 94 (1) of the Public Service Act, or the employment contract of the employee has been cancelled for reasons specified in clauses 88 (1) 3)–8) of the Employment Contracts Act.

2) the public servant has been released from service on the basis of subsection 92 (1) or subsection 93 (1) of the Public Service Act, or the employment contract of the employee has been cancelled for reasons specified in clauses 88 (1) 1)–2) of the Employment Contracts Act.

[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

(6) An unemployed person shall not receive the labour market service provided by this section more frequently than on one occasion within the period of three years.

## **§ 21. Special aids and equipment**

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(1) The Estonian Unemployment Insurance Fund shall enter into a contract under public law with a disabled person or the employer of the disabled person on special aids and equipment of the disabled person. A contract under public law shall specify:

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

- 1) the object of the contract;
- 2) the costs related to the object of the contract and payment thereof;
- 3) the obligations of the user;
- 4) entry into force and expiry of the contract.

(1<sup>1</sup>) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]

(2) A device necessary for work is an aid without which, due to a person's disability, the person is unable to perform his or her duties. The devices which a person needs for the performance of his or her duties regardless of whether or not the person has a disability, and the devices necessary for a disabled person for coping with everyday life are not deemed to be devices necessary for work.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(2<sup>1</sup>) If due to the particularity or technical state of the device it cannot be used by another person, the device necessary for work may be transferred to the disabled person free of charge after the expiry of the contract under public law.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(3) The contract under public law specified in subsection (1) of this section shall be concluded for a period of three years. If a disabled person is employed or appointed to service for a specified term, then the contract under public law shall be concluded for a term equal to the term of the contract for employment or the term of appointment to service, but not for longer than three years. If the disabled person is employed or in service at the time the contract under public law expires, the contract under public law may be extended for up to three years.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

## **§ 22. Communication support at interviews**

(1) Communication support at interviews is a labour market service provided to disabled unemployed persons who, due to their disability, need help in communicating with the employer during job interviews.

(2) If the employees of the Estonian Unemployment Insurance Fund lack the skills necessary for assisting disabled unemployed persons during job interviews, the Estonian Unemployment Insurance Fund shall enter into a contract under public law for provision of such service with a person who has the skills necessary for provision of the service. A contract under public law shall specify:

[RT I 2009, 11, 67 - entry into force 01.05.2009]

- 1) the object of the contract;
- 2) information concerning the disabled unemployed person;

- 3) the rights and obligations of the parties;
- 4) payment of fee;
- 5) entry into force and expiry of the contract.

(3) If the contract under public law specified in subsection (2) of this section is entered into with a person who provides the service specified in this section in his or her free time and without charge, the person shall be compensated for his or her travel expenses related to the provision of the service.

(4) The travel expenses specified in subsection (3) of this section shall be compensated in the amount, under the terms and conditions and pursuant to the procedure provided by a regulation of the minister responsible for the area.

### **§ 23. Working with support person**

(1) Working with a support person is a labour market service provided to disabled unemployed persons who, due to their disability, need help and direction while working.

(2) In order to provide the service of working with a support person to disabled unemployed persons, the Estonian Unemployment Insurance Fund shall enter into a contract under public law with:

[RT I 2009, 11, 67 - entry into force 01.05.2009]

1) the support person, or

[RT I 2008, 48, 265 - entry into force 23.11.2008]

2) the employer or another legal person or sole proprietor, who ensures the provision of the service of working with a support person to an unemployed disabled person.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(3) The contract under public law set forth in subsection (2) of this section shall specify:

- 1) the object of the contract;
- 2) information concerning the disabled unemployed person;
- 3) the rights and obligations of the parties;
- 4) payment of fee;
- 5) entry into force and expiry of the contract.

(3<sup>1</sup>) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]

(3<sup>2</sup>) In the case provided by clause (2) 1) of this section written confirmation of consent to the service of working with a support person shall be requested from the employer. The contract entered into with the support person shall be introduced to the employer.

[RT I 2008, 48, 265 - entry into force 23.11.2008]

(4) The service of working with a support person may be provided to a disabled unemployed person for a period of up to one year after the entry into an employment or service relationship between the employer and the disabled unemployed person:

- 1) for up to eight hours per day during the first month;
- 2) for up to four hours per day during the second month, and
- 3) for up to two hours per day during the third to the twelfth month, but not for more than 700 hours per one unemployed disabled person during each year.

(5) The support person or employer specified in subsection (2) of this section shall be paid a fee pursuant to the contract under public law specified in the same subsection. The fee shall be paid into the bank account of the support person or employer pursuant to the contract under public law but not less frequently than on one occasion during every thirty days.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(6) The hourly rate for the service of working with support person shall be established by the state budget for every financial year. A new hourly rate for the service of working with support person must not be lower than the hourly rate in force.

### **§ 23<sup>1</sup>. Occupational rehabilitation**

(1) Occupational rehabilitation is a labour market service provided to a person for preparation for working life and commencement or continuation of employment which involves rehabilitation activities established on the basis of § 57 of the Social Welfare Act.

[RT I, 30.12.2015, 5 - entry into force 01.01.2016]

(2) A person shall choose the activities according to the rehabilitation needs agreed with the person in the Individual Action Plan from among the rehabilitation services, including rehabilitation programmes provided by persons who hold an activity licence provided for in subsection 147 (1) of the Social Welfare Act.

[RT I, 30.12.2015, 5 - entry into force 01.01.2016]

(3) The Estonian Unemployment Insurance Fund shall pay a provider of the rehabilitation service for the provision of the occupational rehabilitation service.

(4) The upper limit for the fee payable for the provision of the occupational rehabilitation service per person in one calendar year shall be established by the state budget for a budgetary year. The new upper limit for the fee payable for the occupational rehabilitation service shall not be lower than the upper limit in force.  
[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

#### **§ 24. De minimis aid and state aid**

[RT I, 17.12.2015, 1 - entry into force 20.12.2015]

(1) Provision of the labour market services provided for in §§ 18–20 and 23 of this Act shall mean de minimis aid given in accordance with Commission Regulation (EU):

1) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013, p. 1–8);

2) No 1408/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector (OJ L 352, 24.12.2013, p. 9–17) or

3) No 717/2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector (OJ L 190, 28.06.2014, p. 45–54).

(2) Provision of the labour market services provided for in §§ 18, 20 and 23 of this Act shall mean state aid granted under Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.2014, p. 1–78) if:

1) the de minimis ceilings provided for in subsections (3)–(8) of this section have been reached and

2) the person for the support of whose commencement of employment or continuation of employment the aid is granted complies, upon provision of the labour market service provided for in § 18 of this Act, with the provisions of Article 2(4) of Commission Regulation No 651/2014 and, for the provision of the labour market services provided for in §§ 20 and 23 of this Act, with the provisions of Article 2(3) of Commission Regulation No 651/2014.

(3) The total amount of de minimis aid granted to one single undertaking in accordance with the Regulation specified in clause (1) 1) of this section together with the aid applied for on the basis of this Act shall not exceed 200,000 euros within the current financial year and the two previous financial years.

(4) The total amount of de minimis aid granted to one single undertaking in accordance with the Regulation specified in clause (1) 2) of this section together with the aid applied for on the basis of this Act shall not exceed 15,000 euros within the current financial year and the two previous financial years.

(5) The total amount of de minimis aid granted to one single undertaking in accordance with the Regulation specified in clause (1) 3) of this section together with the aid applied for on the basis of this Act shall not exceed 30,000 euros within the current financial year and the two previous financial years.

(6) The total amount of de minimis aid granted to one single undertaking in accordance with the Regulations specified in subsection (1) of this section together with the aid applied for on the basis of this Act shall not exceed 200,000 euros within the current financial year and the two previous financial years.

(7) If labour market services are provided to an undertaking operating in the field of road transport who transports goods for hire or reward, the total amount of de minimis aid granted to the undertaking together with the aid applied for on the basis of this Act shall not exceed 100,000 euros within the current financial year and the two previous financial years.

(8) If an applicant has received de minimis aid on the basis of Commission Regulation (EU) No 360/2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114, 26.04.2012, p. 8–C0#3F13), the total amount of de minimis aid granted to the applicant together with the aid applied for on the basis of this Act shall not exceed 500,000 euros within the current financial year and the two previous financial years in accordance with the specified Regulation and Commission Regulation No 1407/2013.

(9) State aid shall not be granted to an undertaking which is subject to an outstanding recovery order following a previous decision of the European Commission declaring the aid illegal and incompatible with the internal market.

[RT I, 17.12.2015, 1 - entry into force 20.12.2015]

## **Chapter 4**

# LABOUR MARKET BENEFITS

## § 25. Classes of labour market benefits

The classes of labour market benefits are:

- 1) unemployment allowance;
- 2) grants;
- 3) transport and accommodation benefits.
- 4) labour market benefits established by the employment programme provided in § 4<sup>1</sup> of this Act.  
[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

## Division 1 Unemployment Allowance

### § 26. Right to receive unemployment allowance

(1) Unemployed persons who have been employed or engaged in work or an activity equal to work for at least 180 days during the twelve months prior to registration as unemployed, except in the cases listed in subsection (4) of this section, and whose income is less than the 31-fold daily unemployment allowance rate have the right to receive unemployment allowance.

[RT I 2008, 48, 265 - entry into force 23.11.2008]

(2) The following shall not be included in the income specified in subsection (1) of this section:

- 1) the grants, and transport and accommodation benefits received on the basis of this Act;
- 2) remuneration for public work received on the basis of this Act;
- 3) subsistence benefits and needs-based family benefits received on the basis of the Social Welfare Act;  
[RT I, 22.12.2012, 14 - entry into force 01.07.2013]
- 4) family benefits received on the basis of the State Family Benefits Act, except for the benefit for a parent of a family with seven or more children received on the basis of the same Act;
- 5) social benefits for disabled persons received on the basis of the Social Benefits for Disabled Persons Act;
- 6) support received by the unemployed person based on a court judgment, agreement confirmed by a court ruling or a notarised agreement between the parties pursuant to § 101 of the Family Law Act;  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]
- 6<sup>1</sup>) maintenance allowance received on the basis of the Maintenance Allowance Act;  
[RT I 2008, 48, 265 - entry into force 23.11.2008]
- 7) [repealed - RT I 2009, 35, 232 - entry into force 01.01.2010]
- 8) benefits received from the voluntary unemployment fund.

(3) The employment and activity equal to work specified in subsection (1) of this section means:

1) work performed in Estonia or as an employee sent from Estonia on assignment abroad on the basis of an employment contract or in public service,

1<sup>1</sup>) holding the position of a member of the *Riigikogu*, a Member of the European Parliament, the President of the Republic, a member of the Government of the Republic, a judge, the Chancellor of Justice, the Auditor General, a Public Conciliator, the chairman or deputy chairman of a council of a local government working in remunerative positions, a member of a rural municipality or city government working in a remunerative position, including a rural municipality or city mayor, a rural municipality or city district elder;  
[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

1<sup>2</sup>) engagement in a profession in public law as independent person;  
[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

2) work performed in Estonia based on a contract of employment, contract for services, authorisation agreement or contract under the law of obligations for the provision of other services;

3) activity in Estonia as a sole proprietor or participating as a spouse in the activity of the sole proprietor's enterprise if the spouse was entered in the register of taxable persons as the spouse participating in the activity of the sole proprietor's enterprise;

[RT I, 02.07.2012, 8 - entry into force 01.08.2012]

4) daytime or full-time study in an educational institution if the person's studies are concluded. Study period shall not include the period during which the person is on academic leave;

[RT I 2010, 41, 240 - entry into force 01.09.2010]

5) time in compulsory military service, alternative service or reserve service;

[RT I, 10.07.2012, 2 - entry into force 01.04.2013]

6) time during which the spouse allowance specified in subsection 67 (1) of the Foreign Service Act is paid to the non-working spouse accompanying an official working in a foreign mission of the Republic of Estonia or during which the spouse allowance is paid to the non-working spouse accompanying an official on a long-term assignment abroad on the basis of subsection 46 (1) of the Public Service Act;

[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

(3<sup>1</sup>) The work and activity equal to work specified in clauses (3) 1)–2) and 6) of this section, except holding the position of a Member of the European Parliament, shall be taken into account on the basis of the data in the employment register provided for in § 25<sup>1</sup> of the Taxation Act.  
[RT I, 16.04.2014, 3 - entry into force 01.07.2014]

(4) Previous employment or engagement in an activity equal to work is not required of an unemployed person who, for at least 180 days during the twelve months prior to registration as unemployed:

- 1) raised, as a parent or a guardian, a child of up to 18 years of age with a moderate, severe or profound disability, a child under 8 years of age or a child of 8 years of age until the child completed year one at school;
- 2) undergone in-patient treatment;
- 3) cared on the basis of a written contract entered into with a local government for a sick person, a person who is permanently incapacitated for work, a person with partial or no work ability or an elderly person who is not a family member;

[RT I, 30.12.2015, 5 - entry into force 01.07.2016]

3<sup>1</sup>) cared for a disabled person, and a rural municipality or city government has paid him or her allowance for such care;

[RT I 2008, 58, 329 - entry into force 01.03.2009]

4) was unemployed due to declaration as permanently incapacitated for work or establishment of having no work ability;

[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

5) was held in custody or served a sentence in a prison or house of detention.

(5) If the parents are divorced, the parent with whom the child is staying after divorce is entitled to receive the unemployment allowance on the basis of subsection (4) 1) of this section.

(6) If an unemployed person has been engaged in the work or one of the activities equal to work mentioned in subsection (3) of this section or one of the activities listed in subsection (4) of this section for less than 180 days, the periods of engagement in such work or activities which do not overlap shall be added up when granting unemployment allowance.

[RT I 2008, 48, 265 - entry into force 01.05.2009]

(6<sup>1</sup>) Upon granting unemployment allowance, the periods of engagement in the work or activities equal to work mentioned in subsection (3) of this section or the activities listed in subsection (4) of this section which overlap with the period during which the person was registered as unemployed shall not be taken into account.

[RT I 2008, 48, 265 - entry into force 01.05.2009]

(6<sup>2</sup>) As of the moment of granting unemployment allowance, the periods of engagement in the activities mentioned in subsections (3) and (4) of this section shall be deemed equal to zero.

[RT I 2008, 48, 265 - entry into force 01.05.2009]

(7) An unemployed person has no right to receive unemployment allowance during the time he or she is paid unemployment insurance benefit on the basis of the Unemployment Insurance Act.

[RT I 2006, 26, 193 - entry into force 01.01.2007]

(8) An unemployed person has no right to receive unemployment allowance during the time he or she is paid work ability allowance on the basis of the Work Ability Allowance Act, unless the work ability allowance is paid retroactively for the time which overlaps with the period of payment of unemployment allowance.

[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

## **§ 27. Terms and conditions for receipt of unemployment allowance**

(1) A recipient of unemployment allowance shall appear in person at the Estonian Unemployment Insurance Fund at an appointed time and comply with the terms and conditions, and perform the activities agreed upon in the Individual Action Plan.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(2) An unemployed person who has received benefits on the basis of subsection 26 (4) of this Act has the right to receive the benefits repeatedly based on the same subsection, if:

- 1) at least five years have passed from the grant of the benefits based on subsection 26 (4) of this section to the unemployed person, or
- 2) the unemployed person has been engaged in the work and activities equal to work specified in clauses 26 (3) 1)–3) of this Act for at least 180 days within the twenty-four months preceding the re-registration as unemployed.

[RT I 2008, 48, 265 - entry into force 01.05.2009]

(3) An unemployed person, who has not been employed for at least 180 days as required under subsection 26 (1) of this Act and to whom payment of unemployment allowance has been terminated before the end of

the period specified in subsections 30 (1)–(3) of this Act or to whom payment of unemployment insurance benefit has been terminated before the expiry of a period of 270 days, shall be entitled to receive unemployment allowance if he or she:

1) has become unemployed again within 12 months of the last registration as unemployed;  
2) has in the meantime been engaged in the activities specified in clauses 26 (3) 1), 1<sup>1</sup>), 1<sup>2</sup>), 2), 3) or 5) of this Act, and

[RT I, 06.07.2013, 2 - entry into force 16.07.2013]

3) complies with other terms and conditions for receipt of unemployment allowance provided by this Act.  
[RT I 2008, 48, 265 - entry into force 01.05.2009]

(4) The provisions of subsection (3) of this section do not apply to:

1) the persons specified in clauses 7 (1) 1)–2) and 4)–6) of this Act, and  
2) the persons specified in clauses 33 1)–3) of this Act if their registration as unemployed has been terminated based on clause 7 (1) 8) of this Act.

## **§ 28. Application for unemployment allowance**

(1) A person wishing to receive unemployment allowance shall submit a conforming application and necessary documents to the Estonian Unemployment Insurance Fund.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(2) The list of information included in the application specified in subsection (1) of this section and the documents to be appended thereto shall be established by a regulation of the minister responsible for the area.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(3) [Repealed - RT I 2009, 11, 67 - entry into force 01.05.2009]

(4) The person specified in subsection 30 (4) of this Act shall submit a written application to the Estonian Unemployment Insurance Fund who shall promptly review such application and decide on extending the period of payment of the benefits.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

## **§ 29. Grant of unemployment allowance**

(1) The Estonian Unemployment Insurance Fund shall decide to grant or refuse to grant unemployment allowance within ten working days of the submission of a proper application. If a person has, simultaneously with the submission of an application for unemployment allowance, submitted an application for unemployment insurance benefit, the Estonian Unemployment Insurance Fund shall decide on the grant of unemployment allowance within ten working days as of the date of refusal to pay unemployment insurance benefit or the dismissal of the application.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(2) Unemployment allowance shall be granted as of the eighth day of the date of application for unemployment allowance, but not earlier than as of the eighth day of registration of the person as unemployed.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(3) The unemployed persons who, before their registration as unemployed, were enrolled in daytime or full-time study at an educational institution shall be granted unemployment allowance as of the sixty-first day of the date of submission of the application for unemployment allowance.

[RT I 2010, 41, 240 - entry into force 01.09.2010]

(4) The unemployed persons specified in subsection 30 (3) of this Act shall be granted unemployment allowance as of the date of submission of the application for unemployment allowance, but not earlier than as of the day following the last day of payment of unemployment insurance benefit.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) Unemployed persons who applied for but were not granted unemployment insurance benefit pursuant to the Unemployment Insurance Act shall be granted unemployment allowance as of the eighth day after the date of submission of the application for unemployment insurance benefit. Unemployed persons specified in subsection (3) of this section who applied for but were not granted unemployment insurance benefit pursuant to the Unemployment Insurance Act shall be granted unemployment allowance as of the sixty-first day after the date of submission of the application for unemployment insurance benefit.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(6) In the case specified in subsection 27 (3) of this Act, unemployment allowance shall be granted as of the date of submission of the application for unemployment allowance, but not earlier than as of the date of registration of the person as unemployed.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

## **§ 30. Period of payment of unemployment allowance**

(1) Unemployment allowance shall be paid for a period of up to 270 days.

(2) Unemployment allowance shall be paid for a period of up to 210 days to unemployed persons whose last service relationship was terminated on the basis of subsection 94 (1) of the Public Service Act or whose last employment contract was cancelled for reasons specified in clauses 88 (1) 3)–8) of the Employment Contracts Act.

[RT I, 26.03.2013, 1 - entry into force 01.04.2013]

(3) Unemployed persons who have received unemployment insurance benefit pursuant to § 8 of the Unemployment Insurance Act for a period shorter than 270 days shall receive unemployment allowance until the end of the period of 270 days.

(4) After the end of the period specified in subsections (1)–(3) of this section, an unemployed person who will attain pensionable age in less than 180 days shall be paid unemployment allowance until the person attains pensionable age.

(5) In the case specified in subsection 27 (3) of this Act, the total amount of unemployment allowance paid for two or more periods of registration as unemployed shall not exceed the amount prescribed for the days provided in subsections (1)–(3) of this section.

### **§ 31. Calculation and payment of unemployment allowance**

(1) The daily rate which is the basis for the calculation of unemployment allowance shall be established by the state budget for a budgetary year, however the 31-fold daily rate shall not be less than 35 per cent of the minimum monthly wage rate established on the basis of subsection 29 (5) of the Employment Contracts Act in force on 1 July of the year preceding the budgetary year.

[RT I, 13.03.2014, 2 - entry into force 23.03.2014]

(2) Unemployment allowance is calculated retroactively for the days between the unemployed person's visits to the Estonian Unemployment Insurance Fund. For the first time, unemployment allowance shall be calculated for the period between the date of grant of the unemployment allowance and the date of the unemployed person's first visit to the Estonian Unemployment Insurance Fund (inclusive). After that, unemployment allowance shall be calculated for the period between the date on which the unemployed person visits the Estonian Unemployment Insurance Fund and the date of the unemployed person's next visit at the Estonian Unemployment Insurance Fund (inclusive).

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(3) Unemployment allowance shall be paid at least once every thirty days.

(4) If payment of unemployment allowance was suspended on the basis provided in subsection 32 (1) of this Act, the unemployment allowance shall be calculated for a period between the date following the suspension and the date the person's visit (inclusive).

(5) [Repealed - RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(6) Unemployment allowance shall be paid:

- 1) to the bank account of an unemployed person in Estonia at the expense of the payer;
- 2) to the account of an unemployed person in a bank in a foreign state at the expense of the recipient, unless otherwise provided by an international agreement, or
- 3) on the basis of a written application prepared at the Estonian Unemployment Insurance Fund, a digitally signed electronic application or a notarised application of an unemployed person to the bank account of another person in Estonia at the expense of the payer.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

### **§ 32. Suspension of payment of unemployment allowance**

(1) The payment of unemployment allowance shall be suspended:

- 1) for a period of ten days if the unemployed person refuses suitable work for the first time without a good reason;
- 2) for a period of ten days if the unemployed person refuses to comply with the Individual Action Plan for the first time without a good reason;
- 3) for a period beginning on the day following the date of the person's last visit and ending on the day on which the unemployed person appears at the Estonian Unemployment Insurance Fund for the next visit (inclusive), if the unemployed person fails to appear at the Estonian Unemployment Insurance Fund for a visit for the first time without good reason;

[RT I 2009, 11, 67 - entry into force 01.05.2009]

- 4) for a period of thirty days, if the unemployed person receives an one-time income in the amount equal to at least 31-fold daily unemployment allowance rate.

[RT I 2008, 48, 265 - entry into force 23.11.2008]

(2) In the cases specified in clauses (1) 1)–3) of this section, the number of days for which the person is entitled to receive unemployment allowance shall be reduced by the number of days provided in such clauses.

### **§ 33. Premature termination of payment of unemployment allowance**

The payment of unemployment allowance shall be suspended prematurely, if:

- 1) the unemployed person fails to appear, without a good reason, at the Estonian Unemployment Insurance Fund for a visit for the second time;  
[RT I 2009, 11, 67 - entry into force 01.05.2009]
- 2) the unemployed person refuses, without a good reason, to comply with the Individual Action Plan for the second time;
- 3) the unemployed person refuses, without a good reason, to accept suitable work for the second time;
- 4) the person's registration as unemployed is terminated based on subsection 7 (1) of this Act;
- 5) the unemployed person has a permanent monthly income in the amount equal to at least 31-fold daily unemployment allowance rate. An income shall be deemed permanent, if the person receives such income at least till the end of the period for which he or she has been granted unemployment allowance.
- 6) the unemployed person has the right to receive work ability allowance on the basis of the Work Ability Allowance Act, as of the date on which such right arises or the date of the decision concerning the work ability allowance if the work ability allowance is paid retroactively for the time which overlaps with the period of payment of unemployment allowance.  
[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

## **Division 2 Grants**

### **§ 34. Right to receive grants**

The following have the right to receive a grant:

- 1) an unemployed person who participates in labour market training organised by the Estonian Unemployment Insurance Fund under the conditions and pursuant to the procedure provided by § 13 of this Act; A person specified in subsection 13 (1<sup>1</sup>) of this Act does not have the right to receive a grant;  
[RT I, 21.12.2011, 2 - entry into force 01.01.2012]
- 2) an unemployed person who participates in work practice organised by the Estonian Unemployment Insurance Fund under the conditions and pursuant to the procedure provided by § 15 of this Act;
- 3) an unemployed person who participates in coaching for working life organised by the Estonian Unemployment Insurance Fund under the conditions and pursuant to the procedure provided by § 17 of this Act.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]
- 4) an unemployed person who receives labour market services specified in the employment programme established on the basis of subsection 4<sup>1</sup>(1) of this Act under the conditions and pursuant to the procedure provided by the employment programme.  
[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

### **§ 35. Calculation and payment of grants and rate of grants**

(1) [Repealed - RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(2) [Repealed - RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(3) [Repealed - RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(3<sup>1</sup>) Grants shall be calculated on the basis of data submitted by the person providing labour market services for every day of receipt of the labour market services specified in § 34 of this Act according to the daily rate of the grant.

[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(4) The grants shall be calculated by the Estonian Unemployment Insurance Fund.  
[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) Grants are paid once a month pursuant to the procedure provided for in subsection 31 (6) of this Act.  
[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(6) The daily rate of grant shall be established by the state budget for each budgetary year. A new daily rate of grant shall not be less than the rate in force.  
[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

## **Division 3**



# Transport and Accommodation Benefits

## § 36. Right to receive transport and accommodation benefits

The following have the right to receive transport and accommodation benefits:

1) a person who participates in labour market training organised by the Estonian Unemployment Insurance Fund under the conditions and pursuant to the procedure provided by § 13 of this Act, except a person specified in subsection 13 (1<sup>1</sup>) of this Act;

[RT I 2009, 36, 234 - entry into force 01.07.2009]

2) a person who participates in work practice organised by the Estonian Unemployment Insurance Fund under the conditions and pursuant to the procedure provided by § 15 of this Act.

3) a person who participates in coaching for working life organised by the Estonian Unemployment Insurance Fund under the conditions and pursuant to the procedure provided by § 17 of this Act.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

3<sup>1</sup>) a person who participates in occupational rehabilitation;

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

4) a person who receives labour market services specified in the employment programme established on the basis of subsection 4<sup>1</sup>(1) of this Act under the conditions and pursuant to the procedure provided by the employment programme.

[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

## § 37. Payment of transport and accommodation benefits, and rate of benefits

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(1) [Repealed - RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(2) Transport and accommodation benefits shall be paid for each day of receipt of labour market services specified in § 36 of this Act on the basis of the distance between the place of provision of the labour market services and the residence of the person, and the rate of transport and accommodation benefits per kilometre, but not exceeding the daily upper limit for transport and accommodation benefits. Transport and accommodation benefits shall be calculated on the basis of two times the shortest distance between the place of provision of the labour market services and the residence of the person. A distance shorter than 500 metres shall not be taken into account.

[RT I, 13.12.2014, 2 - entry into force 01.01.2016]

(3) Transport and accommodation benefits are paid once a month pursuant to the procedure provided for in subsection 31 (6) of this Act.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(4) [Repealed - RT I, 21.12.2011, 2 - entry into force 01.01.2012]

(5) The rate of transport and accommodation benefits per kilometre and the daily upper limit for transport and accommodation benefits shall be established by the state budget for each budgetary year. The new rates shall not be less than the rates in force.

[RT I, 21.12.2011, 2 - entry into force 01.01.2012]

## Chapter 4<sup>1</sup> ANNUAL REFUNDS TO LOW-PAID EMPLOYEES

[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

### § 37<sup>1</sup>. Definition of annual refund to low-paid employee

An annual refund paid to a low-paid employee (hereinafter *refund*) is support paid once per calendar year to a low-paid employee or official who is employed full time in order to increase his or her income.

[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

### § 37<sup>2</sup>. Persons entitled to apply for refund

(1) A natural person who has fulfilled all the following conditions for each calendar month to be taken into account during at least six calendar months in the previous calendar year shall be entitled to apply for a refund:

- 1) has been a resident during the whole calendar month pursuant to all the tax returns submitted pursuant to subsection 40 (5) of the Income Tax Act by employers for the purposes of the Employment Contracts Act or authorities for the purposes of the Civil Service Act;
- 2) has been at least 18 years of age during the whole calendar month;
- 3) on the basis of the data in the employment register, has been employed during the whole calendar month on the basis of at least one employment contract or in a service relationship and such employment had not been suspended;
- 4) has been employed at least full time in compliance with the conditions of clause 3) of this subsection.

(2) Clause (1) 4) of this section shall not apply to a person with partial or no work ability who has received during the previous calendar year remuneration pursuant to a tax return submitted pursuant to subsection 40 (5) of the Income Tax Act by an employer for the purposes of the Employment Contracts Act or an authority for the purposes of the Civil Service Act, on which the state pays social tax.

[RT I, 17.12.2015, 1 - entry into force 20.12.2015]

(3) A natural person the sum of whose income subject to income tax, income specified in subsection 44 (1<sup>3</sup>) of the Income Tax Act and income specified in § 50 of the Income Tax Act, which is not additionally taxable at the level of a natural person, received during the previous calendar year multiplied by the factor 0.35 exceeds the rate specified in subsection 37<sup>3</sup>(3) of this Act 12 times shall not be entitled to apply for a refund.

[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

### **§ 37<sup>3</sup>. Calculation of amount of refund**

(1) The amount of refund shall be calculated by deducting the amount received by multiplying the sum of income subject to income tax, income specified in subsection 44 (1<sup>3</sup>) of the Income Tax Act and income specified in § 50 of the Income Tax Act, which is not additionally taxable at the level of a natural person, received by the natural person during the previous calendar year by the factor 0.35 from the amount received by multiplying the rate specified in subsection (4) of this section by factor 12. The obtained number shall be divided by 12 and multiplied by the number of the calendar months during which the natural person met the conditions provided for in § 37<sup>2</sup> of this Act.

[RT I, 17.12.2015, 1 - entry into force 20.12.2015]

(2) The upper limit of refund shall be the amount of the income tax liability for the previous calendar year calculated on the basis of the income tax return of the natural person after deductions allowed by the Income Tax Act have been made from the taxable income.

(3) In the case of a joint income tax return of spouses, the upper limit of refund shall be a part of the amount of income tax liability calculated by the joint income tax return which corresponds to the proportion of the taxable income of the person based on the specified tax return after deductions allowed by the Income Tax Act have been made from the taxable income. The specified proportion shall be calculated by making the deductions specified in §§ 23, 23<sup>2</sup>, 23<sup>3</sup>, 28 and 28<sup>1</sup> of the Income Tax Act from the taxable income of the person based on the joint income tax return of the spouses and the obtained number shall be divided by the taxable income of the person and his or her spouse based on the joint income tax return of the spouses from which the deductions specified in §§ 23, 23<sup>2</sup>, 23<sup>3</sup>, 28 and 28<sup>1</sup> of the Act have been made.

(4) The rate on the basis of which the amount of refund is calculated shall be established by the state budget for the year on the basis of which the refund is calculated, taking into account the estimated subsistence minimum and minimum monthly wage in the case of full-time employment. The specified rate shall not be less than the estimated subsistence minimum last published by the Statistics Estonia.

[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

### **§ 37<sup>4</sup>. Application for refund**

(1) The provisions of the Income Tax Act and the Taxation Act concerning the application for fulfilment of a claim for refund of overpaid amount of income tax paid by a natural person shall apply to the application for refund with the specifications provided for in subsection (2) of this section.

(2) A natural person who meets the conditions provided for in § 37<sup>2</sup> of this Act can apply for a refund simultaneously with the income tax return concerning the income of the previous calendar year submitted to the Tax and Customs Board no later than by 31 March.

(3) If the term provided for in subsection (2) of this section for submitting the application for refund was allowed to expire with good reason, the Tax and Customs Board may restore the term at the request of the natural person. The term shall not be restored if more than six months have passed from the term provided for in subsection (2) of this section.

(4) If the term provided for in subsection (2) of this section for submitting the application for refund was allowed to expire due to circumstances beyond the control of the natural person, the Tax and Customs Board may restore the term at the request of the natural person without time limits. The Tax and Customs Board

may not restore the specified term if the application for refund is submitted later than six months after the circumstances specified in the previous sentence ceased to exist.  
[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

#### **§ 37<sup>5</sup>. Payment of refund**

(1) The provisions of the Income Tax Act and the Taxation Act concerning the fulfilment, setting off, seizure and pledging of a claim for refund of overpaid amount of income tax paid by a natural person shall apply to the payment of refund with the specifications provided for in this section.

(2) The Tax and Customs Board shall pay the refund no later than by 1 July to the bank account of the natural person or his or her spouse indicated in the income tax return of the natural person or, on the basis of a written application of the natural person, to the bank account of a third person.  
[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

#### **§ 37<sup>6</sup>. Reclamation of refund**

(1) If it becomes evident that the natural person was not entitled to receive a refund in the amount paid, the Tax and Customs Board shall reclaim the amount of refund paid without basis.

(2) The provisions of the Taxation Act concerning compulsory execution of claims arising from tax arrears shall apply to reclamation of the amount of refund paid without basis with the specifications provided for in this section.

(3) The Tax and Customs Board may submit the claim specified in subsection (1) of this section against the natural person who received the amount of refund paid without basis or the person who caused the payment of the amount of refund without basis by declaration or entry in the employment register of incorrect information.

(4) Based on a reasoned request of the person against whom the claim specified in subsection (1) of this section has been submitted, the Tax and Customs Board may provide the person with the opportunity to pay the reclaimed amount of refund in instalments.  
[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

#### **§ 37<sup>7</sup>. Financing of refunds**

Refunds are financed from the state budget through the Tax and Customs Board.  
[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

## **Chapter 5 PROVISION OF LABOUR MARKET SERVICES AND INTERMEDIATION OF TEMPORARY AGENCY WORK BY UNDERTAKINGS**

[RT I, 25.03.2011, 1 - entry into force 01.07.2014 (entry into force changed - RT I, 22.12.2013, 1)]

#### **§ 38. Notification obligation**

An undertaking shall submit a notice of economic activities in order to operate in the following areas of activity:

- 1) finding work for job-seekers and necessary labour force for employers (job mediation);
  - 2) acting as intermediary of temporary agency work.
- [RT I 25.03, 2011, 1 - entry into force 01.07.2014 (entry into force changed RT I, 22.12.2013, 1)]

#### **§ 38<sup>1</sup>. Acting as intermediary of temporary agency work**

[Repealed - RT I, 25.03.2011, 1 - entry into force 01.07.2014 (entry into force changed - RT I, 22.12.2013, 1)]

#### **§ 39. Registration proceedings and registration information**

[Repealed - RT I, 25.03.2011, 1 - entry into force 01.07.2014 (entry into force changed - RT I, 22.12.2013, 1)]

### § 39<sup>1</sup>. Prohibition on charging of fee

It is prohibited for an undertaking to charge a fee for information concerning free positions and employers from a person wishing to find employment.

[RT I 25.03, 2011, 1 - entry into force 01.07.2014 (entry into force changed RT I, 22.12.2013, 1)]

## Chapter 6 FINANCING

### § 40. Financing

(1) Unemployment allowance shall be financed from the funds allocated from the state budget through the budget of the Ministry of Social Affairs as appropriation to the budget of the Estonian Unemployment Insurance Fund.

[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

(2) Labour market services and benefits, except unemployment allowance, shall be financed from the foundation of labour market services and benefits provided by the Unemployment Insurance Act and from the funds allocated from the state budget through the budget of the Ministry of Social Affairs as appropriation to the budget of the Estonian Unemployment Insurance Fund.

[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

(3) Remuneration payable for public work specified in clause 9 (1) 6) of this Act shall be financed by the organiser of public work.

[RT I, 21.12.2010, 2 - entry into force 01.01.2011]

(4) [Repealed - RT I, 21.12.2011, 2 - entry into force 01.01.2012]

## Chapter 7 RESOLUTION OF DISPUTES

### § 41. Reclamation of sums received without legal basis

(1) If a recipient of the labour market benefits provided by this Act and by the employment programme established on the basis thereof or a recipient of labour market services specified in clauses 9 (1) 3), 5) and 7)–14) of this Act and by the employment programme established on the basis of this Act knowingly submits incorrect information or fails to notify of circumstances which affect his or her receipt of labour market services or benefits, and in the cases specified in subsections 18 (9), 19 (8) and (8<sup>1</sup>), and 20 (5) of this Act, the Estonian Unemployment Insurance Fund shall reclaim the amounts paid as labour market benefits or spent for the provision of labour market services without basis.

[RT I, 04.06.2014, 2 - entry into force 05.06.2014]

[RT I, 24.04.2014, 1 - entry into force 22.04.2014 - A judgment of the Supreme Court *en banc* declares to be in conflict with the Constitution and repeals subsection 41 (1) of the Labour Market Services and Benefits Act to the extent this does not prescribe the right of discretion of the Estonian Unemployment Insurance Fund upon reclamation in the case of failure to notify of circumstances which affect the receipt of labour market services or benefits.]

(1<sup>1</sup>) The Estonian Unemployment Insurance Fund may prepare a repayment profile upon agreement with the person specified in subsection (1) of this section.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(2) If a person fails to repay the amounts received without basis, a precept together with a warning shall be issued for reclamation of the amounts. Upon failure to comply with the precept within a term set out in the warning, the Estonian Unemployment Insurance Fund has the right to issue a precept for compulsory execution pursuant to the procedure provided in the Code of Enforcement Procedure.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

### § 42. Challenge proceedings

(1) A person who finds that his or her rights have been violated or freedoms have been restricted upon his or her registration as unemployed or as a person seeking employment, preparation of an Individual Action Plan for him or her, or grant of labour market benefits to him or her, may file a challenge.

(2) A challenge shall be filed with the Estonian Unemployment Insurance Fund.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(3) A challenge shall be heard pursuant to the procedure provided by the Administrative Procedure Act.

# Chapter 7<sup>1</sup>

## ADMINISTRATIVE SUPERVISION

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

### § 42<sup>1</sup>. Administrative supervisory authority

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

(1) The Ministry of Social Affairs (hereinafter *administrative supervisory authority*) shall exercise administrative supervision over the performance of the obligations of the Estonian Unemployment Insurance Fund provided for in this Act. The administrative supervisory authority has the right to involve experts in the exercise of administrative supervision.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

(2) The Ministry of Social Affairs shall exercise state administrative supervision over the compliance of undertakings and their economic activities with the requirements provided for in this Act.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

### § 42<sup>2</sup>. Competence of administrative supervisory authority

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

(1) The administrative supervisory authority has the right to:

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

1) examine the evidence and information in the possession of the Estonian Unemployment Insurance Fund or an undertaking, which enable to ascertain the circumstances important for the performance of the duties of the administrative supervisory authority, and to obtain copies or extracts from the documents;

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

2) issue precepts to the Estonian Unemployment Insurance Fund for the termination of violations of the requirements provided by this Act or legislation established on the basis thereof, for prevention of further violations and elimination of the consequences of violations.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(2) In the performance of its duties, the administrative supervisory authority is required to be impartial in its assessments and to base its decisions on legislation and reliable information.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

(3) Upon failure to comply with a precept, the administrative supervisory authority may impose penalty payment pursuant to the procedure provided for in the Substitutive Enforcement and Penalty Payment Act. The upper limit for a penalty payment is 640 euros.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

### § 42<sup>3</sup>. Precept

(1) A precept shall contain:

1) the grounds for issuing the precept together with a reference to the corresponding provision of legislation;

2) the date of issue of the precept;

3) the term for compliance with the precept;

4) the name, position and signature of the official exercising administrative supervision;

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

5) the possibilities, terms and procedure for contestation of the precept.

(2) The administrative supervisory authority shall send the precept to the Estonian Unemployment Insurance Fund within ten days as of the issue of the precept.

[RT I, 13.03.2014, 4 - entry into force 01.07.2014]

(3) If the Estonian Unemployment Insurance Fund does not agree with the precept, the Estonian Unemployment Insurance Fund has the right to file a challenge with the minister responsible for the area within one month as of receiving the precept.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

## Chapter 8

# IMPLEMENTING PROVISIONS

## § 43. Transitional provisions

(1) Persons registered as unemployed based on § 3 of the Social Protection of the Unemployed Act who receive a caregiver's allowance based on § 8 of the Social Benefits for Disabled Persons Act or based on subsection 23 (2) of the Social Welfare Act may remain registered as unemployed until 1 July 2006.

(2) Subsections 26 (1) and (2) of this Act do not apply to persons who have been granted state unemployment allowance based on § 8 of the Social Protection of the Unemployed Act if this would place the persons in a substantially worse position in comparison to the application of the provisions of subsections 8 (1) and (3) of the Social Protection of the Unemployed Act.

(3) If an unemployed person has submitted, prior to the entry into force of this Act, an application for the grant of the labour market service provided in § 18 of the Employment Service Act, and the decision specified in subsection 18 (4) of such Act has not been made with respect to the person, then the relevant decision shall be made on the date specified in subsection 18 (4) of the Employment Service Act, and the provisions of this Act concerning business start-up subsidy apply otherwise.

(4) If a person has been registered as unemployed based on § 3 of the Social Protection of the Unemployed Act, then the first part of the Individual Action Plan specified in § 10 of this Act shall be prepared for such person upon in the course of his or her first visit to the Estonian Unemployment Insurance Fund after the entry into force of this Act. The second part of an Individual Action Plan shall be prepared within eighteen weeks after the entry into force of this Act.

[RT I 2009, 11, 67 - entry into force 01.05.2009]

(5) For persons registered as unemployed based on § 3 of the Social Protection of the Unemployed Act, the time for commencement of running of the periods provided in subsections 12 (3) and (4) of this Act shall be the date of entry into force of this Act.

(6) If work in a community placement specified in § 20 of the Labour Market Service Act is continued after the entry into force of this Act, the amount of remuneration paid for public work provided in § 16 of this Act shall be the basis for remuneration of the work in the community placement.

(7) As of the entry into force of this Act, the provisions of this Act concerning unemployment allowance, grants, and transport and accommodation benefits apply to persons receiving state unemployment allowances or grants for unemployed persons based on the Social Protection of the Unemployed Act.

(8) The employment services activity licences issued, until the entry into force of this Act, on the basis of the Employment Service Act shall be valid until the date of expiry set forth in the licences.

(9) Subsection 12 (4)<sup>1</sup> of this Act shall be applied to a person whose previous registration as unemployed has been terminated after the entry into force of subsection 12 (4)<sup>1</sup>. Upon calculation of the twenty-week or twenty-one-week period specified in subsections 12 (3) and 12 (4) of this Act, the period during which the person has been registered as unemployed and which has started after the entry into force of subsection 12 (4)<sup>1</sup> shall be taken into account.

[RT I 2008, 48, 265 - entry into force 01.05.2009]

(10) Until 1 January 2010, upon compliance with the requirement for receiving allowance for care from a rural municipality or city government specified in clause 10 (5) 6) and clause 26 (4) 31) of this Act, caregiver's allowance paid by the Social Insurance Board shall also be taken into account.

[RT I 2008, 58, 329 - entry into force 01.03.2009]

(11) The twelve-month period specified in subsection 6 (5)<sup>1</sup> of this Act shall not include the time preceding the entry into force of subsection 6 (5)<sup>1</sup>.

[RT I, 03.03.2011, 2 - entry into force 01.05.2011]

(12) Upon making a decision on registration of a person enrolled in daytime vocational training as unemployed, the engagement requirement provided for in clause 6 (5) 6) of this Act shall not be taken into account if:

1) the previous registration of the person as unemployed was terminated during the period from 1 September 2013 until the entry into force of this provision on the basis of clause 7 (1) 3) of this Act in connection to commencement of daytime vocational training;

2) not more than twelve months have passed from the termination of the previous registration of the person as unemployed;

3) the person was engaged in an activity specified in clauses 26 (3) 1)–2) of this Act for at least 180 days during the twelve months prior to the previous registration of the person as unemployed.

[RT I, 22.12.2013, 4 - entry into force 01.01.2014]

(13) An unemployed person specified in subsection (12) of this section, who has not been employed for at least 180 days as required under subsection 26 (1) of this Act and to whom payment of unemployment allowance

has been terminated before the end of the period specified in subsections 30 (1)–(3) of this Act or to whom payment of unemployment insurance benefit has been terminated before the expiry of a period of 270 days, shall be entitled to receive unemployment allowance if he or she:

- 1) has become unemployed again within 12 months after the grant of unemployment allowance;
- 2) complies with other terms and conditions for receipt of unemployment allowance provided by this Act.

[RT I, 22.12.2013, 4 - entry into force 01.01.2014]

(14) In the cases specified in subsection (13) of this section and subsection 27 (3) of this Act, the total amount of unemployment allowance paid for two or more periods of registration as unemployed shall not exceed the amount prescribed for the days provided for in subsections 30 (1)–(3) of this Act.

[RT I, 22.12.2013, 4 - entry into force 01.01.2014]

(15) A member of the management or supervisory body of a foundation, non-profit association or non-profit cooperative who receives remuneration in the amount forming less than half of the minimum wage established under subsection 29 (5) of the Employment Contracts Act, a member of the management board of a company, a procurator, a partner authorised to represent a general or limited partnership, the director of a branch of a foreign company or manager of another permanent establishment of a non-resident who was registered as unemployed as at 1 May 2014 may remain registered as unemployed until 1 November 2014.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(16) Clause 18 (2) 3) of this Act shall apply to an unemployed person who has been registered as unemployed for at least 12 months within the 15 months preceding the commencement of employment or service if the person's registration as unemployed before 1 May 2014 has been terminated under the circumstances provided for in clause 6 (5) 8) of the version of the Labour Market Services and Benefits Act in force until the specified date.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(17) An unemployed person, who has not been employed for at least 180 days as required under subsection 26 (1) of this Act and to whom payment of unemployment allowance has been terminated before the end of the period specified in subsections 30 (1)–(3) of this Act or to whom payment of unemployment insurance benefit has been terminated before the expiry of a period of 270 days, shall be entitled to receive unemployment allowance if:

- 1) the person has become unemployed again within twelve months after the grant of unemployment allowance;
- 2) the person's registration as unemployed was terminated on 1 November 2014 under the circumstances specified in clauses 6 (5) 4) or 4<sup>1</sup>) of this Act, and
- 3) the person complies with other terms and conditions for receipt of unemployment allowance provided by this Act.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(18) The version of the Labour Market Services and Benefits Act in force at the time of entry into a contract under public law which is entered into before 1 May 2014 shall apply to payment of wage subsidy on the basis of the contract.

[RT I, 16.04.2014, 5 - entry into force 01.05.2014]

(19) The requirement established in subsection 13 (2) of this Act providing that labour market training may be ordered only from managers of in-service training institutions for the purposes of the Adult Education Act shall apply as of 1 July 2016 to labour market training ordered. In the case of training ordered earlier, the requirements in force before entry into force of this provision shall be taken as the basis.

[RT I, 23.03.2015, 5 - entry into force 01.07.2015]

(20) The activity licence requirement provided for in subsection 23<sup>1</sup>(2) of this Act shall be deemed to be complied with until 31 December 2016 by providers of rehabilitation services who hold a valid activity licence for the provision of rehabilitation services pursuant to the wording of the Social Welfare Act in force until 31 December 2015.

[RT I, 30.12.2015, 5 - entry into force 01.01.2016]

### **§ 43<sup>1</sup>. Specification for grant of unemployment allowance**

Until 1 July 2015, the engagement in work and activity equal to work specified in clauses (3) 1)–2) and 6) of this section before 1 July 2014 which is not entered in the employment register provided for in § 25<sup>1</sup> of the Taxation Act shall be taken into account upon granting unemployment allowance.

[RT I, 16.04.2014, 3 - entry into force 01.07.2014]

### **§ 43<sup>2</sup>. Implementation of Chapter 4<sup>1</sup> of this Act**

- (1) Refunds can be applied for in 2017 for the first time.

(2) The rate on the basis of which the amount of refund paid in 2017 is calculated shall be established by the 2016 State Budget Act.

[RT I, 30.06.2015, 2 - entry into force 01.09.2015]

(3) Subsection 37<sup>2</sup>(2) of this Act shall also apply to a person who receives pension for incapacity for work or national pension on the basis of incapacity for work.

[RT I, 17.12.2015, 1 - entry into force 20.12.2015]

#### **§ 44. Enrolment in daytime study**

The requirement for full-time study provided in clauses 6 (5) 6) and 26 (3) 4) and subsection 29 (3) of this Act is deemed to have been complied with in respect to persons who were accepted to an educational institution before the academic year 2003/2004 if such persons are engaged in full-time study.

#### **§ 45. Register of persons registered as unemployed or job-seekers, and of provision of labour market services**

The state register of job-seekers and of employment services founded on the basis of subsection 8 (3) of the Labour Market Service Act is deemed to be the register of persons registered as unemployed and job-seekers and of provision of labour market services specified in subsection 8 (1) of this section.

**§ 46.–§ 58.**[Omitted from this text.]

#### **§ 59. Entry into force of Act**

This Act enters into force on 1 January 2006.

<sup>1</sup>Directive 2010/41/EU of the European Parliament and of the Council on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OJ L 180, 15.07.2010, p. 1–6). [RT I, 02.07.2012, 8 - entry into force 01.08.2012]