# Estonia<sup>1</sup>

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For comparisons with other countries in this review on leave provision and early childhood education and care services, please see the <u>cross-country tables</u> at the front of the review (also available individually on the Leave Network website). To contact authors of country notes, see the <u>members</u> page on the Leave Network website.

## 1. Current leave and other employment-related policies to support parents

### a. Maternity leave (*rasedus- ja sünnituspuhkus*) (responsibility of the Ministry of Social Affairs)

Length of leave (before and after birth)

• 140 calendar days: between 30 and 70 days can be taken before expected date of birth. If less than 30 days leave are taken before the expected birth, leave is shortened accordingly.

#### Payment and funding

- 100 per cent of average earnings, calculated on employment in the previous calendar year, with no ceiling on payments. The minimum wage (€390 per month) is paid to mothers who did not work during the previous calendar year but have worked prior to the birth of a child.
- Funded from health insurance contributions. All employers and self-employed pay a payroll tax of 33 per cent for each employee; 13 per cent is for health insurance, 20 per cent for pension insurance.

#### Flexibility in use

None except for when leave can be started before birth.

Eligibility (e.g. related to employment or family circumstances)

- All employed mothers are eligible for Maternity leave, including workers with temporary contracts if the contract lasts more than one month.
- Self-employed people qualify for Maternity benefit on the same conditions as workers, even without taking up the leave.

<sup>&</sup>lt;sup>1</sup> Please cite as: Pall, K. (2017) 'Estonia country note', in: Blum S., Koslowski A., and Moss P. (eds.) International Review of Leave Policies and Research 2017. Available at: http://www.leavenetwork.org/lp and r reports/

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother.

None.

### b. Paternity leave (*isapuhkus – literally 'father's leave'*) (responsibility of Ministry of Social Affairs)

Length of leave (before and after birth)

Ten working days.

#### Payment and funding

- One hundred per cent of earnings, calculated by the employer, with a ceiling of three times average earnings for the next to last quarter from the quarter when the leave was used.
- Funded from general taxation.

#### Flexibility in use

- Can be taken during two months before or two months after the birth of a child.
- Can be taken in blocks, with a minimum of a day at a time.

Eligibility (e.g. related to employment or family circumstances)

 All employed fathers with permanent or temporary employment contracts. Selfemployed or unemployed fathers are not eligible.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother

None.

### c. Parental leave (*lapsehoolduspuhkus* – *literally 'childcare leave'*) (responsibility of Ministry of Social Affairs)

#### Length of leave

Until the child reaches three years. Leave is a family entitlement.

#### Payment and funding

- Two types of benefit are available to all families who meet the eligibility conditions, whether or not parents take Parental leave.
- Parental benefit (vanemahüvitis) is paid at 100 per cent of personal average earnings (calculated on employment in the previous calendar year) for 435 days (i.e. 62 weeks) from after the end of Maternity leave, with a ceiling of €2,907 per month, equivalent to three times average earnings. The minimum benefit paid to working parents is the minimum wage, €470 per month. For parents who are not on leave and not working, Parental benefit is paid from

- the birth of the child at a flat rate (benefit rate) of €430 per month until the child reaches 18 months of age.
- Childcare benefit (*lapsehooldustasu*) is a flat-rate payment of €38 per month, paid from the end of payment of parental benefit until the child reaches three years of age to both working and non-working parents (i.e. payment continues if a parent takes up employment).
- Both parental and childcare benefits are funded from general taxation.
- Pension credits for parents with children under three years (independent of Parental leave or employment). There are two types of pension credits for parents, available simultaneously. The state pays social security contribution, calculated from minimum wage, to the first pension pillar (public pay-as-you-go system) during three years. Also, the state pays contributions to the second pension pillar (public contributions-based system) during three years; contributions are calculated from state average wage.

#### Flexibility in use

- Parental leave may be used in one part or in several parts at any time until a child is three years of age.
- Being on leave while receiving the benefits is not compulsory. When a parent takes up employment after the birth of a child, the parental benefit is reduced if the income from employment exceeds the benefit rate (€430 per month). Income exceeding the benefit rate is divided by two and deducted from the level of benefit. However, the maximum reduction of benefit is 50 per cent.
- Parents cannot be on leave together.

Eligibility (e.g. related to employment or family circumstances)

- All working parents are eligible for Parental leave.
- All parents are eligible for parental and childcare benefits. Also, a parent's spouse, a person in custody of the child and adoptive person have right to parental and childcare benefits.
- Fathers are eligible for parental benefit when their child has reached 70 days of age.
- The actual caregiver of a child (none of the above-mentioned) is eligible for Parental leave if parents do not use leave themselves. In the case of a nonparental caregiver, he or she is eligible for childcare benefit, but not parental benefit.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent); or delegation of leave to person other than the mother

None.

#### d. Childcare leave or career breaks

 No statutory entitlement; see section (e) below, for supplementary annual holiday entitlement.

#### e. Other employment-related measures

Adoption leave (lapsendamispuhkus) and pay

70 days of adoption leave per child for parents adopting a child under ten
years at 100 per cent of average earnings, with no ceiling. Adoptive parents
are eligible for Parental leave for a child under three years, and qualify for
parental benefit and childcare benefit.

#### Time off for the care of dependants

- 14 calendar days per episode of illness Leave can be taken by either parent to care for a sick child under 12 years, with 80 per cent of earning replacement for up to 14 calendar days per illness episode.
- Parents with a handicapped child may take one day of leave per month with full earnings replacement.
- A parent with a child under 14 years of age can take ten working days of unpaid leave per year.
- Parents may take a supplementary period of holiday: three days per year for a
  parent raising one or two children under 14 years and six days per year for a
  parent raising a child under three years, or three or more children under 14
  years. There is a flat-rate payment, calculated from the minimum wage, of €22
  per day.
- All payments funded from general taxation.

#### Flexible working

 Breastfeeding mothers with a child under 18 months can take either a half an hour breastfeeding break every three hours or a one hour break per day. The state compensates the breaks 100 per cent with the exception of mothers who receive parental benefit for raising a child. Funded from general taxation.

#### Specific provision for (breast-)feeding

None.

## 2. Relationship between leave policy and early childhood education and care policy

The maximum period of post-natal leave available in Estonia is 36 months, half paid at a high earnings-related rate and the other half at a low flat rate. According to Social Welfare Act municipalities are obliged to provide a place in ECEC to all children, starting from age of 18 months, i.e. after the end of the high paid leave period. However, not all municipalities are able to meet this obligation, and for children between 18 months and three years of age the lack of places in ECEC is a serious issue. Many municipalities that are not able to provide an ECEC place pay a special childcare benefit to working parents who use a private licensed carer or centre. Levels of attendance at formal services for children under 3 years are below the average for the countries included in this review and for OECD countries; but above average for children over three years. For actual attendance levels, see 'relationship between leave and ECEC entitlements' on cross-country comparisons page.

## **3. Changes in policy since April 2016** (including proposals currently under discussion)

The Ministry of Social Affairs has presented proposals to the government in March 2017 include merging Maternity leave and Parental leave into one Parental leave, as well as merging Maternity benefit, Paternity benefit, Parental benefit and Childcare benefit into one Parental benefit. The new Parental benefit would have a period designated for mothers only, a shared period and a 30-days period designated for fathers only. The overall benefit period would be prolonged to 605 calendar days. The benefit could be taken out until the child reaches three years of age. The government has agreed on the general principles and the Ministry of Social Affairs will start drafting the acts. The changes would take place gradually starting from 2019.

#### 4. Take-up of leave

#### a. Maternity leave

There are no statistics on take-up of Maternity leave.

#### b. Paternity leave

Fourteen per cent of fathers took up leave in 2006 and 2007, but in 2008, after payment was introduced, take-up of leave increased approximately four times, up to 50 per cent. Since 2009 when the benefit for Paternity leave was abolished, there are no statistics on the take-up. In 2013 when Paternity leave payment was reintroduced, 38 per cent of fathers took leave; in 2014, about 41 per cent of the fathers took some leave and 46 per cent in 2015<sup>2</sup>. Based on preliminary data of registration of births in 2016 around half of the fathers took the leave.

#### c. Parental leave

No official statistics about take-up of leave are collected. In 2016, 9.3 per cent of the recipients of parental benefit were men (7.5 per cent in 2015, 9 per cent 2014 and 7.4 per cent in 2013)<sup>3</sup>.

From its introduction in 2004 until 2007, fathers' access to parental benefit was limited and they could take-up the benefit only after their child was six months old; the share of fathers using the benefit was very low, between one and two per cent between 2004 and 2006. In 2007 this restriction was removed and fathers could take up the parental benefit right after the end of Maternity leave (when child is 70 days old); subsequently the take-up by fathers increased slightly and has been around six to nine per cent since.

According to the Labour Force Survey (2010), 90.1 per cent of mothers and 5.4 per cent of fathers of children below eight years old reported that they had taken a Parental leave after the birth of their youngest child. Of those parents who reported taking leave, 35.2 per cent reported that they had taken two to three years, 27.5 per cent one-and-a-half to two years, 23.2 per cent one to one-and-a-half years, and 6.7 per cent six months to one year; only 7.4 per cent of parents were on leave less than six months<sup>4</sup>.

<sup>&</sup>lt;sup>2</sup> Calculations by the Ministry of Social Affairs, using data from Statistics Estonia and Social Insurance Board.

<sup>&</sup>lt;sup>3</sup> Social Insurance Board. <a href="http://www.sotsiaalkindlustusamet.ee/statistika-ja-aruanded-3/">http://www.sotsiaalkindlustusamet.ee/statistika-ja-aruanded-3/</a>

<sup>&</sup>lt;sup>4</sup> Statistics Estonia. Available at:

#### d. Other employment-related measures

In 2015, 27 per cent of parents who received benefit for nursing a sick under 12 year old child (i.e. care leave certificates) were men (in 2014 this was 26 per cent and in 2013 also 27 per cent)<sup>5</sup>.

#### 5. Research and publications on leave and other employmentrelated policies since April 2016

Please be aware that this is not intended to be a comprehensive list of all publications or research in this area for this country. If you are aware of a publication or research that could be listed in this section, please contact the country note author(s) so that they can include it for the following year.

#### a. General overview

Leave policies and childcare arrangements have gained researchers' attention recently as the issues of demographic changes and work-life balance have emerged in the political arena. Previously, research on reconciliation of work and family life, including use of Parental leave, focused mainly on women. No significant research has been done on employers' family-friendly policies.

#### b. Selected recent publications

Turu-uuringute, A.S. (2016) *Soolise võrdõiguslikkuse monitoring* (Gender equality monitoring) Available at:

http://sm.ee/sites/default/files/contenteditors/Ministeerium\_kontaktid/Uuringu\_ja\_anal uusid/Sotsiaalvaldkond/soolise\_vordoiguslikkuse\_monitooringu\_raport\_2016.pdf In the fall of 2016, the fifth gender equality monitoring was conducted in Estonia. In total 1,002 respondents aged 15-74 from across Estonia were questioned during a face-to-face survey. Topics covered were economic coping and economic dependency, differences in upbringing and teaching of boys and girls, roles within the family, work sphere and experience of unequal treatment at work, work-related opportunities for men and women, combining work and family life, roles and position of women and men in the society, women and men in politics, experiences of physical violence and awareness of the institution of the Gender Equality and Equal Treatment Commissioner.

Kurowska A. (2017) The impact of an unconditional parental benefit on employment of mothers: A comparative study of Estonia and Lithuania, *International Journal of Sociology and Social Policy*, 37 (1/2): 33 – 50.

The purpose of this paper is to solve the puzzle of the disproportionately lower employment rate of mothers of toddlers with relation to the employment rate of mothers of preschool and school-age children in Estonia. The research is based on the Most Similar System Design and compares Estonia with Lithuania. The applied methods include inferential statistics and microsimulation techniques, employing the OECD Benefits and Wages Calculator, the OECD Family Support Calculator and EUROMOD – the European tax-benefit microsimulation model.

http://pub.stat.ee/px-

web.2001/I\_Databas/Social\_life/09Labour\_market/13Work\_and\_family\_life/13Work\_and\_family\_life.asp

<sup>5</sup> Estonian Health Insurance Fund, based on the calculations of Ministry of Social Affairs.

The comparison revealed that the overwhelming majority of the crucial aspects of socio-cultural, economic and institutional conditions were more favourable for maternal employment in Estonia than in Lithuania. This explains the higher maternal employment rates both for mothers of pre-schoolers and school-age children in Estonia. However, one particular element of the institutional context targeted to the mothers of toddlers – the unconditional parental benefit – had an opposite character. This particular feature of the parental leave scheme was the only factor that could explain why the employment rate of mothers of toddlers is disproportionately lower than the employment rate of mothers of older children in Estonia and much lower than the employment of mothers of toddlers in Lithuania. This study complements previous research by providing evidence on the relative importance of universal parental benefit schemes in the context of other country-specific conditions for maternal employment, including the availability of institutional childcare. Furthermore, the results presented show that childcare regime typologies, at least those that characterize Eastern European countries, should be more sensitive to children's age.

#### c. Ongoing research

None reported.