

# 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 cross-country tables at the front of the review (also available individually on the Leave Network website). To contact authors of country notes, see the members 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)*

- One hundred and forty 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 (e.g. if the mother starts Maternity leave 20 days before the expected birth, overall leave is shortened by 10 days to 130 instead of 140 days).

*Payment and funding*

- One hundred per cent of average earnings, calculated on employment in the previous calendar year, with no ceiling on payments. The minimum wage (€500 per month) is paid to mothers who had not worked during the previous calendar year but then worked prior to the birth of the 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.

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*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. Self-employed 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 €3,089.55 per month, equivalent to three times average earnings. For parents who are not on leave and not working, the benefit is paid from the birth of the child until the child reaches 18 months of age. The minimum benefit paid to

- parents who worked in the previous calendar year is the minimum wage, €500 per month. For parents who were not working during the previous calendar year, the parental benefit is paid at a flat rate (benefit rate) of €470 per month.
- 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; the height of this public pension contribution is 4 per cent of the 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 old.
- 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 ½ of the benefit ceiling (€1,544.7). Income exceeding ½ of the benefit ceiling is divided by two and deducted from the level of benefit. However, the maximum reduction of benefit is up to €470 (benefit rate).
- Parents cannot be on leave at the same time.

#### *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 non-parental 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*

- Seventy 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*

- Fourteen 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 €23.6 per day.
- All payments funded from general taxation.

### *Flexible working*

- *None*

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

- 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.

## **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 the Social Welfare Act, municipalities are obliged to provide a place in ECEC to all children (but there is no individual right to a place), 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 an 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 2017 (including proposals currently under discussion)**

Starting from 1 March 2018, the formula for reduction of parental benefit when receiving income from work simultaneously has been changed. The new formula is more generous and parental benefit is reduced only when income from employment exceeds  $\frac{1}{2}$  of the benefit ceiling.

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 draft act will be presented to the government in 2018.

### **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 re-introduced, 38 per cent of fathers took leave; in 2014, about 41 per cent of the fathers took some leave, 46 per cent in 2015<sup>2</sup> and around half of the fathers took the leave in 2016. Based on preliminary data of registration of births in 2017 around 53 per cent of the fathers took the leave.

#### **c. Parental leave**

No official statistics about take-up of leave are collected. In 2017, 9.9 per cent of the recipients of parental benefit were men (9.3 per cent in 2016, 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.

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

<sup>3</sup> Own calculations based on Social Insurance Board data.

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>.

#### **d. Other employment-related measures**

In 2016, 28 per cent of parents who received benefit for nursing a sick under 12 year old child (i.e. care leave certificates) were men (in 2015 this was 27 per cent and in 2014 this was 26 per cent)<sup>5</sup>.

### **5. Research and publications on leave and other employment-related policies since April 2017**

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 publications**

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*, Vol.37, No.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.

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.

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<sup>4</sup>Statistics Estonia. Available at: [http://pub.stat.ee/px-web.2001/I\\_Databas/Social\\_life/09Labour\\_market/13Work\\_and\\_family\\_life/13Work\\_and\\_family\\_life.asp](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.

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.