



EMN Main Study 2013  
Migrant access to social security and healthcare:  
Policies and Practice  
Estonian National Report



*Disclaimer: The following responses have been provided primarily for the purpose of completing a Synthesis Report for the above-titled EMN Study. The contributing EMN NCPs have provided information that is, to the best of their knowledge, up-to-date, objective, and reliable within the context and confines of this study. The information may thus not provide a complete description and may not represent the entirety of the official policy of an EMN NCPs' Member State.*

*This document was produced by Eike Luik and Helina Maasing who are the experts of EE EMN NCP. Experts from the Police and Border Guard Board, Ministry of Social Affairs, and others were consulted during the compiling process of this document. The web version is available at [www.sisekaitse.ee/erv](http://www.sisekaitse.ee/erv).*

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## Summary

Social protection is a combination of social security and social work measures applied by the public or private sector, the objective of which is to facilitate an individual's or household's coping with partial or complete loss of income.<sup>1</sup> Therefore, the objective of social protection is to help the person should a social risk arise, due to which the person needs help and support, for instance, old age, loss of capacity for work, unemployment, birth of a child, etc.

The Estonian social security system is based on the principle of solidarity, i.e. the benefits extend to permanent residents of Estonia, such as Estonian citizens, aliens staying in Estonia with a temporary residence permit and the right of residence or a long-term residence permit/permanent right of residence. Therefore, third-country nationals who live in Estonia and have at least a temporary valid residence permit are entitled to be the subjects of the Estonian social security system. The Estonian social security system is not citizenship-based, actual and permanent living in the country is essential.

However, the alien must have a sufficient legal income which would enable an alien and the family members of an alien subsistence in Estonia. Sufficient legal income does not include a subsistence benefit nor needs-based family benefit, which in turn means that if a third-country national cannot support himself/herself or his/her family member, the Police and Border Guard Board (hereinafter PBGB) has the right to revoke the person's (and the family member supported by him/her) residence permit, refuse to extend the residence permit or refuse to issue a long-term residence permit. Therefore, a third-country national can apply for and receive subsistence benefits in Estonia, but it could have an effect on him/her acquiring/extending his/her further residence permit. It has been regulated that if an alien who holds an EU Blue Card has received subsistence benefit during the validity period of the EU Blue Card, a residence permit of an EU Blue Card owner will be refused.

Generally, an alien settling in Estonia must have concluded an insurance policy before entering the country and / in exceptional cases, the insurance policy may also be concluded inside the country. The insurance policy does not have to be submitted if the alien is covered by mandatory health insurance pursuant to the Health Insurance Act (includes persons who come to Estonia to work) or as established with an international agreement. A third-country national shall acquire Estonian health insurance if he/she works here, i.e., social tax is being paid for him/her, or if he/she is a person equalised with insured persons under the Health Insurance Act (e.g. children, students, pregnant women) or if he/she concludes a voluntary insurance contract or a private insurance policy with the Estonian Health Insurance Fund or if person is the subject of an international agreement.

Regarding health insurance, differences from persons living in Estonia arise in the cases of foreign students, seasonal workers, posted workers, and family members who have arrived in Estonia in order to settle with the family of a third-country national and who have a temporary residence permit in Estonia; they must have a private health insurance policy in order to gain access to Estonia's health services. An alien is required to have a valid health insurance policy guaranteeing that any costs related to his or her medical treatment as a result of illness or injury during the period

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<sup>1</sup>Statistical Yearbook of Estonia 2012

of stay in Estonia will be met. In the absence of a valid insurance contract, the PBGB may revoke the person's residence permit.

Therefore, when applying for and receiving benefits it does not matter whether the person has a temporary or long-term residence permit. However, if the third-country national staying in Estonia with a temporary residence permit does not have sufficient income/ receives subsistence benefit / does not have a valid insurance contract it may become an obstacle when acquiring a residence permit, extending a residence permit, or acquiring a long-term residence permit.

The Ministry of Social Affairs regulates the social security system in Estonia. The ministry manages the Social Insurance Board that manages the schemes of pension insurance, family and social benefits, and the Estonian Health Insurance Fund that is responsible for the health insurance scheme, and the Estonian Unemployment Insurance Fund responsible for the unemployment insurance system. Local governments also provide social services and pay benefits.

As this study is partially based on the national guidelines of the European Mutual Information System on social protection, MISSOC, and benefits and services outlined there, the study gives an overview of the following services and their availability to third-country nationals:

- 1) Healthcare, including medical care;
- 2) Sickness cash benefits;
- 3) Maternity and paternity benefits;
- 4) Old-age pensions and benefits;
- 5) Family benefits;
- 6) Unemployment benefits
- 7) Guaranteed minimum resources benefits.

Although the MISSOC system includes 11 branches of the social security system (in addition to the listed seven, four more – pension for incapacity for work , survivor's benefits, benefits for accidents at work and for occupational diseases, and long-term care), these are not handled more thoroughly in this study. As a general rule, availability of these benefits is equivalent to the rights of Estonian citizens, i.e. the person has to live in Estonia permanently and have a temporary or long-term residence permit or the right of residence.

The working-age population (15-74 years old) in Estonia on 31 December 2011 (census statistics) was 988,391 people, of which Estonian citizens formed 83.6%, EU citizens 0.6%, third country nationals 7.8%, and citizens with stateless persons 8% of the working-age population. 56.5% of the people in this age group were employed, of which 0.5% were EU citizens, 6.3% third- country nationals, and 7.3% with stateless persons. 7% of the people in this age group were unemployed, of which 0.5% were EU citizens, 10.7% were third country nationals, and 15.2% with stateless persons, respectively. 34.8% of the people in this age group were economically inactive, of which 0.6% were EU citizens, 9.8% third country nationals, and 7.5% with stateless persons. (Additional information is available in the statistics chapter on Table 10).

There are no significant differences between the benefit recipients, except for in the number of persons receiving old-age pension and unemployment benefit, of whom 45% of European Union citizens living in Estonia (mainly Latvian, Lithuanian, and Finnish citizens) receive an old-age pension, and in the number of third-country nationals, of whom 34% of third-country nationals

living in Estonia receive an old-age pension (mainly citizens of Russia and Ukraine or stateless persons).

Of registered unemployed persons, mostly third-country nationals received unemployment insurance benefit and unemployment allowance, 1.9% receiving unemployment insurance benefit and 2.3% unemployment allowance, respectively. These percentages also reflect the general rate of unemployment in the society, which is highest among third-country nationals at 18.4%.

None of the offices handling the study area highlighted that third-country nationals would abuse the Estonian social security system's benefits and supports.

# 1. INTRODUCTION OBJECTIVES, METHODOLOGY, AND DEFINITIONS

## 1.1 Objectives of the study

This study is Estonia's contribution to the joint study being compiled by European Migration Network (EMN), „Migrant access to social security and healthcare: policies and practice”. The objective of the study is to map national policies and administrative practices that outline third-country nationals' right to access the national social security system. Also, to give an overview of allowances and benefits that extends to third-country nationals and differences with benefits for the country's own nationals.

The overall objective of the study is to map the policies and administrative practices that shape third-country nationals' access to social security, including healthcare. There is substantial variation in how third-country nationals experience the social security system in European Union (hereinafter EU) Member States, as complex administrative rules and practices related to nationality, periods of employment, contributions, residency or transferability shape the pattern of take up of social security, including healthcare among migrant groups. By investigating the policies and administrative practices that shape migrant access to social security and healthcare, this study represents a necessary first step towards understanding how social security, including healthcare policies work for third-country workers and their families, within a managed migration system. EU and Member State policy-makers may use the resulting “snap-shot” of access across the EU to find more effective ways of meeting the basic needs of migrant workers while ensuring that immigrants do not become a burden for the Member State.

The specific aims of the study are to:

Outline the formal EU and national rules that shape entitlements to social security and healthcare for third-country nationals in EU Member States; the study shall build upon information available (primarily from DG EMPL ) on the functioning of social security systems for MS and other EEA nationals;

- ✓ Examine how these entitlements compare to the entitlements of nationals of the Member State in which the third-country nationals reside;
- ✓ Investigate the administrative practices that determine how the formal rules on eligibility for third-country nationals are applied in concrete cases, especially when implementing the “habitual residence test” and other eligibility rules that contain a discretionary element;
- ✓ Identify the circulars, guidelines and other forms of support (e.g. training) provided to government officials involved in processing social security and healthcare claims in order to ensure that the discretionary criteria (e.g. in relation to the ‘habitual residence test’) are implemented consistently in individual cases within a Member State;
- ✓ Review the reciprocal agreements that exist between EU Member States and third countries that affect the entitlement to social security and healthcare of certain groups of immigrants.

The study concentrates on two over-arching categories of third-country nationals in particular: third-country nationals holding long-term residence permits, and third-country nationals holding

time-bound (or fixed-term) residence permits.

The outcome of this study is primarily intended for policy-makers, national experts, other stakeholders and practitioners, for example, non-governmental organisations (NGOs) and NGO networks and members of the wider public with an interest in migrant access to social security benefits.

## 1.2 Definitions

The terminology of this study has been used in compliance with relevant European Union acquis. Terms used in the survey are in compliance with the terminology of EMN's glossary<sup>2</sup>.

## 1.3 Methodology

This study has been compiled according to the specifications established for EMN's study from 2013, „Migrant Access to social security and healthcare: policies and practice”. Methodologically, this study is a so-called secondary study or desk research that uses already existing public information and no new research and analyses have been conducted to compile this study. Existing public research, legislation, and overviews were used to compile this study, public discussions in the media were also followed. The officials of this field were surveyed in a written form; the researchers asked them to fill in the survey they compiled.

The study follows the study specifications developed by the European Commission and accordingly the study focuses on aliens staying in the country for the following reasons:

- workers (owners of EU Blue Card, researchers , seasonal workers, and frontier workers);
- self-employed persons;
- unemployed persons (or job-seekers);
- family members of third-country nationals;
- citizens of Estonia(from the aspect of highlighting differences for the rights that do not extend to third-country nationals).

As the study focuses only on the categories of aliens mentioned above, the study does not observe the social security rights of students, asylum seekers, beneficiaries to persons under international protection, and people staying in the country for tourism or with a short-term visa.

According to the study specification, the study gives an overview of the following services and benefits 1) health care, 2) sickness cash benefits, 3) maternity and paternity benefits, 4) old-age pensions and benefits, 5) family benefits, 6) unemployment benefits, 7) guaranteed minimum benefits.

The statistics of the study field have been acquired from the Ministry of Social Affairs, Social Insurance Board, Unemployment Insurance Fund, and Statistics Estonia; the Police and Border Guard Board provided statistics on residence permits.

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<sup>2</sup> Asylum and Migration Glossary. Available at: [http://ec.europa.eu/dgs/home-affairs/what-we-do/networks/european\\_migration\\_network/glossary/index\\_a\\_en.htm](http://ec.europa.eu/dgs/home-affairs/what-we-do/networks/european_migration_network/glossary/index_a_en.htm)



## 2. OVERVIEW OF NATIONAL SOCIAL SECURITY SYSTEM AND HOW IT APPLIES TO MIGRANTS FROM THIRDCOUNTRIES

### 2.1. Overview of social security system benefits and their financing mechanisms

The Estonian social security system is based on the principle of solidarity. This means that all the benefits extend to permanent Estonian residents, including Estonian citizens, aliens living in Estonia with temporary residence permit and temporary right of residence or with a long-term residence permit. Therefore, all third-country nationals who live in Estonia and have a valid residence permit or the right of residence are entitled to be the subject of the Estonian social security system.

The Estonian social security system is based on a three contributions of **social insurance system**:

- Unemployment insurance funded by unemployment insurance premiums (2% of the employee's wages and 1% from the employer, respectively)
- Health insurance funded by social tax (the employer pays 13% from the employee's gross wages)
- Pension insurance mainly funded by social tax (the employer pays 20% from the employee's gross wages; if the employee has joined the mandatory funded pension scheme, the employer pays an additional 2% from the wages).

Other types of benefits, such as family benefits, unemployment benefit, state national pension, and social benefits **are not based on insurance premiums** and not paid from the state's total revenue.

#### 2.1.1. Allowances and benefits of Estonian social security system

An overview of the rights and conditions of the Estonian social security is given below. The source of this chapter is the order given in the MISSOC guidelines.

##### 1. Healthcare

Pursuant to the Health Insurance Act there are no differences between EU citizens and third-country nationals when it comes to providing health insurance and health security benefits. § 5 (1) of that law establishes that an **insured person is a permanent resident of Estonia or a person living in Estonia on the basis of a temporary residence permit or right of residence, for whom social tax has been paid**. Therefore, a third-country national who has a temporary or long-term residence permit, needs to meet the same requirements as Estonian citizens in order to receive insurance.

Estonia has a national health services system that covers health services and in the framework of which the insured person has the right to choose a family physician, be consulted by a medical specialist, be entitled to hospitalisation, obstetrical care, etc. Insurance system also includes prescription of medicinal products that can be purchased with a discount and the price of which is compensated to the pharmacies by the Health Insurance Fund. The insured person covers part of the

costs, for instance, by paying the hospital's in-patient fee of EUR 2.50.

Healthcare also includes dental benefits, denture benefits, and complementary benefits for medicinal products paid by the Estonian Health Insurance Fund. In order to receive dental benefit, the person must have health insurance while receiving the treatment. Persons of at least 63 years of age receive dental insurance; old-age pensioners and persons receiving pension for incapacity for work receive up to EUR 19.18 a year; pregnant women, mothers with children under 1 year old, and persons with an increased need for dental care receive a benefit of up to EUR 28.77 a year.

A complementary benefit for medicinal products is paid to an insured person who spends at least EUR 384 on discounted medicinal products each calendar year. At most, the insured person is compensated for EUR 623.

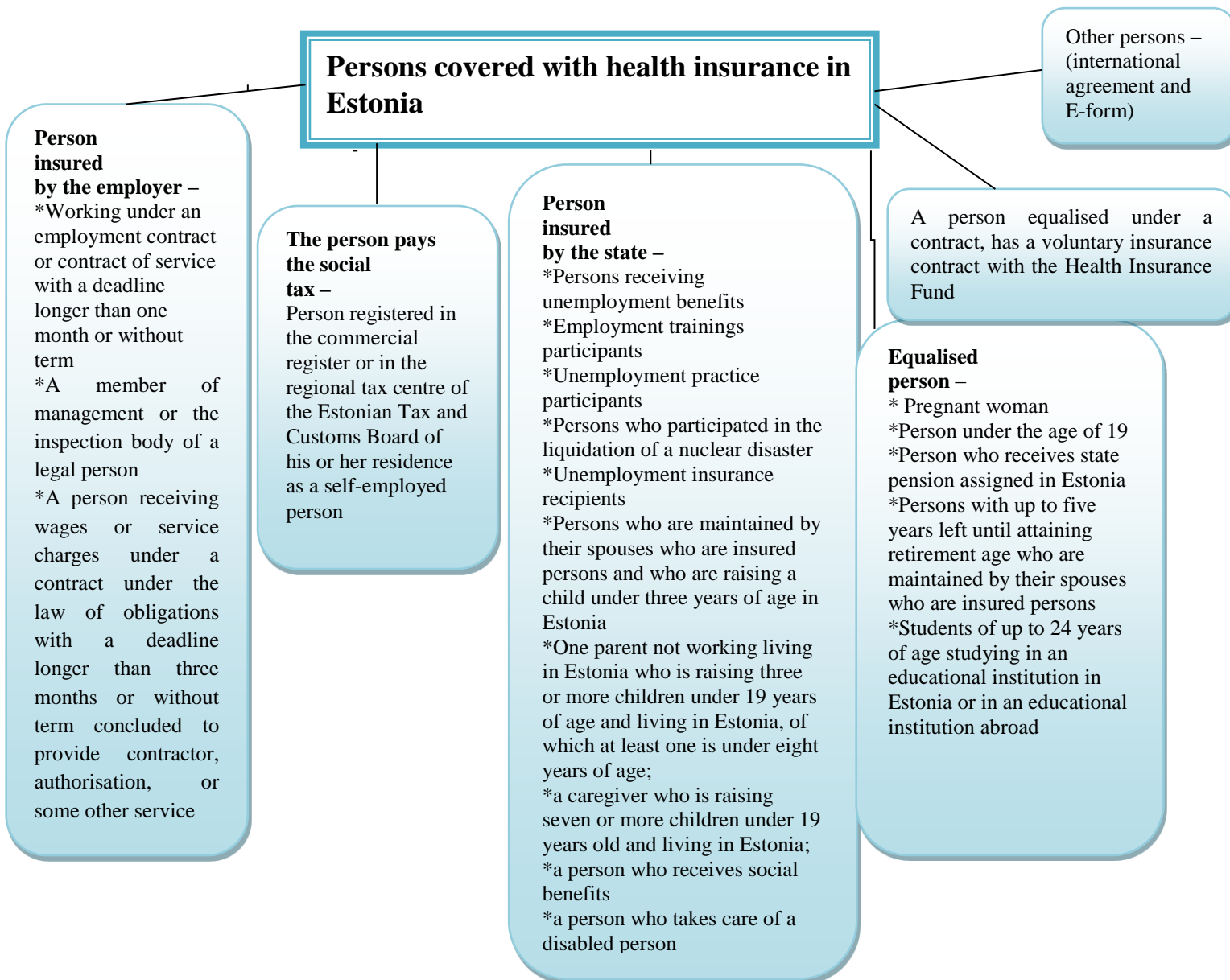


Figure 1. Persons covered by health insurance in Estonia

Source: Estonian Health Insurance Fund

A voluntary insurance contract may be concluded by a permanent resident of Estonia and by a person living in Estonia with a temporary residence permit or temporary right of residence who was insured for at least twelve months in the two previous years before concluding the contract. Upon concluding a voluntary contract, the person needs to pay the health insurance fund insurance premiums. The amount of the premium per one calendar month was in 2013 EUR 115, the quarterly premium was EUR 345, and the annual premium EUR 1,380.<sup>3</sup>

In addition to the Health Insurance Act, persons are also insured based on **international agreements** ([Ukraine and Russian Federation](#)<sup>4</sup>) and **E-forms**.<sup>5</sup> In Estonia, the foreign affairs department of the Social Insurance Board organises assigning of pensions and paying under international agreements.

In recent years, the proportion of persons with health insurance has gradually decreased in the Estonian population. By the end of 2012, 93.7% of the population had health insurance, in the last year before the economic recession, in 2007, 96% of the population had health insurance.

As of 31 December 2011 (according to the census), the number of working-age population (15–74 years of age) in Estonia was 988,391 persons<sup>6</sup>, of which Estonian citizens included 83.6%, EU citizens 0.6%, and third-country nationals 7.8%, and stateless persons 8% of the age group. 558,914 people were employed, which is 56.5% of the total of the age group (of which 0.5% were EU citizens, 6.3% third-country nationals, and 7.3% stateless persons) and 68,920 unemployed persons, i.e. 7% of the total number of residents in this age group (of which 0.5% are EU citizens, 10.7% third-country nationals, and 15.2% stateless persons). 343,868 person or 34.8% of the people in this age group were economically inactive (of which 0.6% were EU citizens, 9.8% third-country nationals, and 7.5% stateless persons). The top three countries that serve as third countries to Estonia are Russia, Ukraine, and Belarus. (Additional information on Table 10).

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<sup>3</sup> The insurance premium is calculated by multiplying Estonia's average monthly gross wages of previous calendar year, as recently published by the Statistics Estonia, by 0.13. The amount of the insurance premium changes every year after the Statistics Office publishes the average gross wages for the previous calendar year in Estonia.

<sup>4</sup> About the procedure between the Ministry of Social Affairs of the Republic of Estonia and the Ministry of Defence of the Russian Federation on paying for the medical servicing and prosthetics of non-working pensioners of Russian Federation armed forces

<sup>5</sup> [http://www.haigekassa.ee/kindlustatule/arstiabi\\_val/](http://www.haigekassa.ee/kindlustatule/arstiabi_val/)

<sup>6</sup> Source: Statistics Estonia

## 2. Sickness cash benefits

**Insured persons** (insured persons listed in chapter Healthcare) working in Estonia who have a temporary residence permit or the right of residence in Estonia as well as long-term residents are entitled to receive monetary sickness benefits or benefits for the incapacity for work. The benefits are paid by the Estonian Health Insurance Fund.

The benefit is calculated with the following principle – to get the income for one day, the income of the previous calendar year taxed with social tax is divided by 365 (number of days in a year).

Unemployment benefits include:

- Sickness benefits
  - Paid to an insured person from the fourth until the eighth sickness day by the employer and from the ninth sick day by the Health Insurance Fund. The benefit rate is 70%. Differences arise for a pregnant woman falling ill (the Health Insurance Fund pays 70% from the second day) and in case of contracting a work or occupational disease (the Health Insurance Fund 100% from the second day).
- Maternity benefits
  - Generally paid to an insured person for 140 days, from the first date of maternity leave and 100% of the average income of a calendar day.
- Care allowances
  - 80% of average income of a calendar day paid to an insured person from the first day. The allowance is paid for 7–14 days depending on the age of the child requiring care.
- Adoption benefits
  - Upon adopting a child younger than 10 years of age, the benefit is paid for up to 70 days, 100% of average income of a calendar day.

## 3. Maternity and paternity benefit

An alien living in Estonia with a temporary residence permit or temporary right of residence and a long-term resident have the right to maternity and paternity benefit. In case the previously mentioned person has a residence in several countries, person is entitled to maternity and paternity benefit if he is an Estonian resident for the purposes of the Income Tax Act<sup>7</sup> or if he lives in Estonia permanently for the purposes of the Aliens Act or the Citizen of the European Union Act.

Pursuant to § 6 (1) of the <sup>7</sup> Income Tax Act, a natural person is a resident of Estonia if at least one of the following conditions is fulfilled:

- the person's place of residence is Estonia;
- the person stays in Estonia for at least 183 days within 12 consecutive calendar months;
- the person is an Estonian state public servant in foreign service.

The person is considered a resident as of his arrival date to Estonia. A natural person who is a resident pays income tax on all incomes acquired in both Estonia and abroad.

Pursuant to the previously mentioned acts staying in Estonia for at least 183 days a year is a prerequisite.

In terms of MISSOC categorisation, maternity benefit is considered as a sickness cash benefit. Maternity leave can be taken 30–70 days before the expected birth date (30th-36th pregnancy week).

Regulation no 883/2004 of the Council of the European Union applies to persons who have worked in some other European Economic Area (EEA) Contracting State or in the Swiss Confederation during the previous calendar year of the date of the emergence of the right to parental benefits.<sup>8</sup> According to the regulation's principles on applying social security systems to workers and their family members who move within the limits of the union, the time worked in another country is calculated equivalent to as if the person had worked in Estonia, or adding up the working periods is applied. Estonia does not have to consider wages earned in another Contracting State upon calculating parental benefits. Upon calculating parental benefits in cases when the person worked in another EEA Contracting States or the Swiss Confederation and Estonia or in Estonia during the previous calendar year before pregnancy and maternity leave, the social tax paid in the previous calendar year shall be deemed to have been paid in the previous calendar year also for the time worked in other EEA Contracting States or the Swiss Confederation. Or the period worked in another country during the previous calendar year shall be added to the period worked in Estonia in the previous calendar year and calculating the amount of the benefit is based on the number of months worked and Estonian individually registered social tax. The average monthly income calculated based on social tax is deemed to have been received for each month worked in the previous calendar year. As the period between the previous calendar year and the child's birth date may be up to one year, as an exception for cross-border cases, the social tax paid in Estonia during the period between the calendar year and pregnancy and maternity leave if it was lacking in Estonia in the previous calendar year shall be taken into account.

If the parental benefit applicant has only worked outside Estonia in another EEA Contracting State or the Swiss Confederation in the calendar year prior to the date of the emergence of the right to benefit and she has no income taxed with social tax in Estonia in this period and from the end of this period until the start of the pregnancy and maternity leave or she does not have the right to pregnancy and maternity leave, the amount of benefit for one month equals the minimum monthly wage.

There is a difference upon calculating the amount of the parental benefit if the applicant has any more children under the age of two years and six months at the moment of the child's birth. In this case, the average monthly income of the calendar year prior to the emergence of the right to new child's parental benefit is compared with the income based on which the parental benefit for the previous child was calculated. If the parental benefit for the previous child was calculated based on a larger income, the parental benefit for the new child shall be calculated on the previous amount.

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<sup>8</sup>Regulation no 883/2004 of European Parliament and Council (EC), 29 April 2004, on coordinating social insurance systems

Even a person who did not work, i.e. did not earn income, has the right to parental benefit (e.g. a student who did not work). In this case, the person shall be assigned an income in the amount of the benefit, EUR 320 a month in 2014.

Persons whose monthly income for the previous calendar year was equal to the minimum wage or lower are also protected. They are paid a parental benefit in the amount of the minimum wage, which in 2014 was EUR 355 a month.<sup>9</sup>

#### 4. Old-age pensions and benefits

Permanent residents of Estonia and aliens with a temporary residence permit or the right of residence are entitled to an old-age pension on the same bases as Estonian citizens. A person who has become 63 years of age and has at least 15 years of pension qualifying period acquired in Estonia is entitled to an old-age pension.

The state pension is paid from social tax calculated from the wages. The employers pay 33% of the employee's wages for social tax, of which 13% covers health insurance and 20% (16% if the person has joined the second pension pillar) for the pensions of current pensioners. Pursuant to the State Pension Insurance Act the types of state pension are: **pensions dependent on work contribution**, including old-age, incapacity for work, and survivor's pensions and **national pension** ensured according to residence.

##### **The following have the right to national pension:**

- A person who has turned 63 years of age and does not have the required pension qualifying period and has lived in Estonia as a permanent resident or with a temporary residence permit or temporary right of residence for at least five years immediately before applying for a pension.
- A person who has reached the old-age pension age and who received a national pension until old-age pension age due to permanent incapacity for work. A person who has lost the capacity for work and whose percentage of incapacity for work is at least 40 percent and who does not have the required pension qualifying period and has lived in Estonia as a permanent resident or with a temporary residence permit or temporary right of residence for at least a year immediately before applying for pension.

The amount of the national pension is EUR 140.81 per month. It is important to note that the national pension, unlike the old-age pension, cannot be exported to another country (applies to persons who have a contractual right from international agreements to export pensions).

##### **Estonia uses three-pillar pensions system (old-age pension) that includes:**

- **I pillar state pension** (regulated by the Ministry of Social Affairs pursuant to the ruling of the Riigikogu), also mandatory to third-country nationals;

<sup>9</sup>Social Insurance Board [www.sotsiaalkindlustusamet.ee](http://www.sotsiaalkindlustusamet.ee)

- **II pillar funded pension** (regulated by the Ministry of Finance), mandatory to Estonian citizens who have been born starting from 1983, but voluntary to third-country nationals;
- **III pillar supplementary pension** (regulated by the Ministry of Finance), voluntary to everyone.

On a national level, there are three additional pension options that serve as subtypes of the state old-age pension:

- **early retirement pension,**
- **deferred old-age pension**
- **old-age pension under favourable conditions.**

Moreover, there are special pensions for certain occupations, such as police officer’s special pension, prosecutor’s pension, serviceman’s pension, and allowance for a rescue service worker waiting for old-age pension that can be applied for by Estonian citizens only because citizens of other countries cannot work in these jobs.

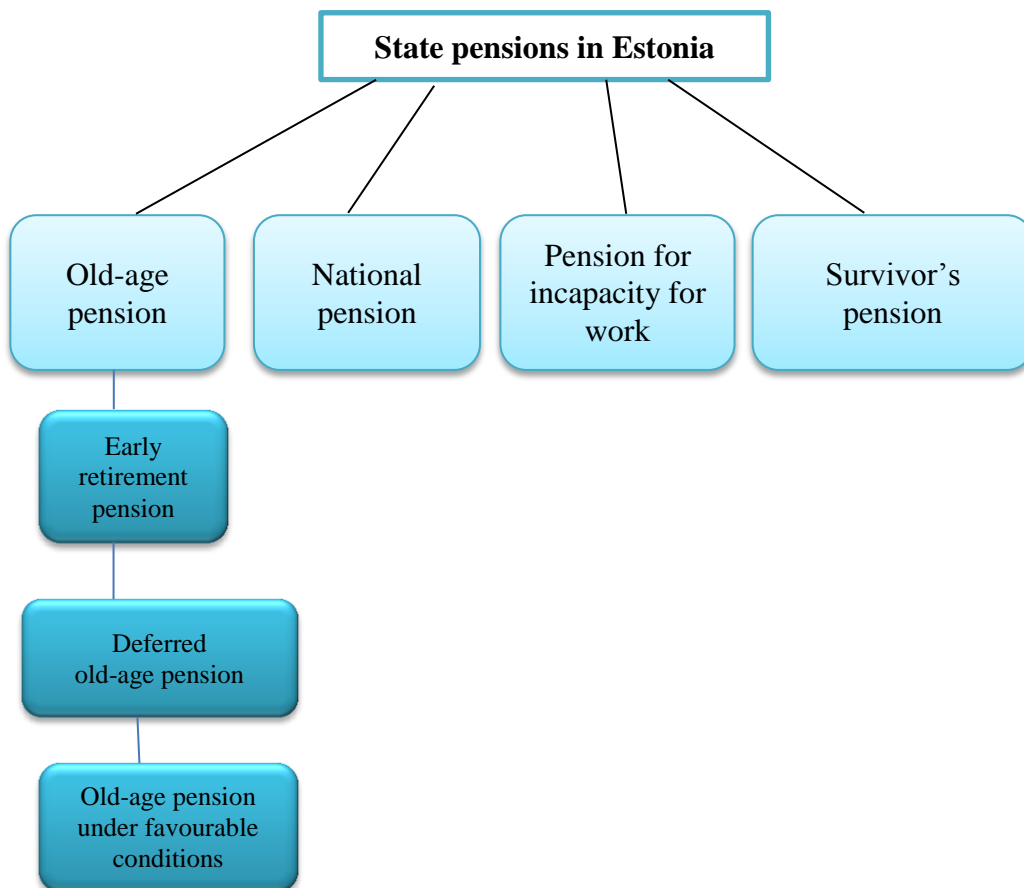


Figure 2. State pensions in Estonia  
Source: Social Insurance Board

In 2011, the number of pensioners exceeded 400,000 and as of 1 January 2012, there were 404,525 pensioners in Estonia, which is 30.5% of the population. As of 2013, there were 409,260 pensioners



in Estonia, which is 31% of the population of Estonia. Old-age pension was paid to 237,600 Estonian citizens, of third-country nationals, mostly Russian and Ukrainian citizens received old-age pensions (38,520 persons and 1,592 persons, respectively), and of EU citizens mostly Latvian and Lithuanian citizens received Estonian old-age pensions (1,601 persons and 662 persons, respectively)<sup>10</sup>. Detailed information on the number of pensions paid in Estonia and by citizenship is available as a table in the statistics chapter, Table 3.

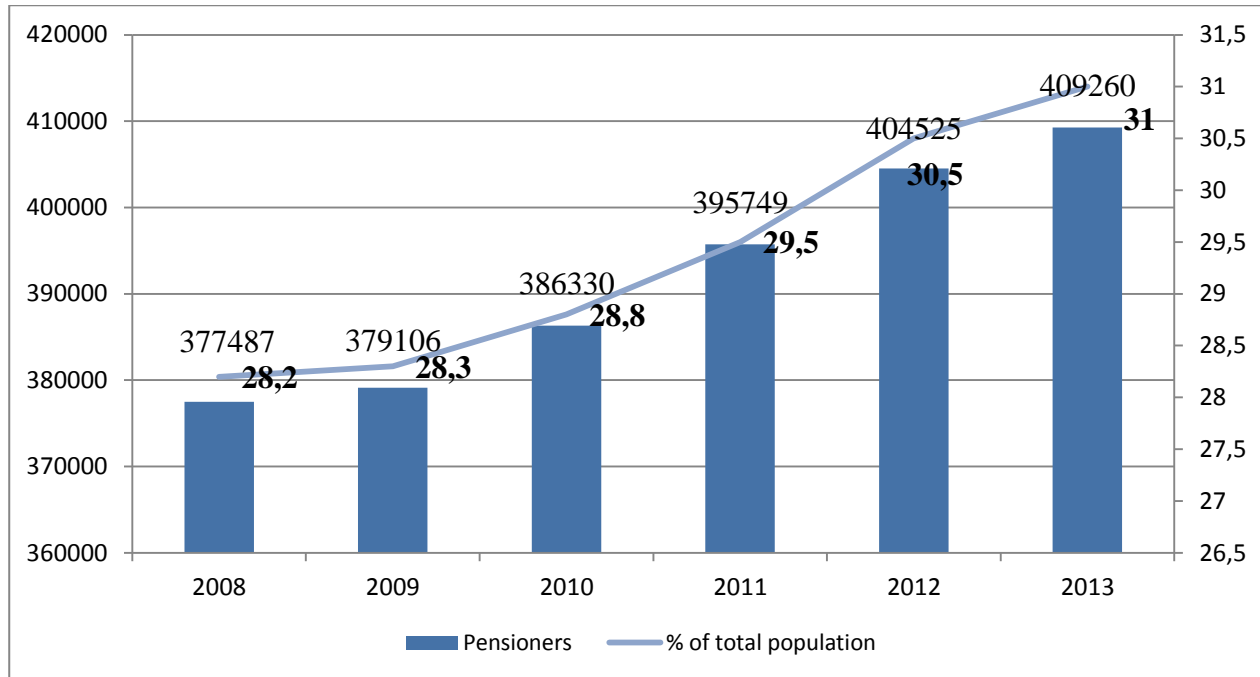


Figure 3. Number of pensioners from total population, 2008–2013

Source: Statistics Estonia

## 5. Family benefits

An alien living in Estonia with a temporary residence permit or temporary right of residence and a long-term resident is entitled to family benefit.

There are ten different family allowances in Estonia (family benefits according to the MISSOC categorisation) funded from the state budget. Nine types of family allowances are paid via the Social Insurance Board and one of local governments allocate and pay needs-based family benefit.

<sup>10</sup>Statistical Yearbook of Estonia 2012



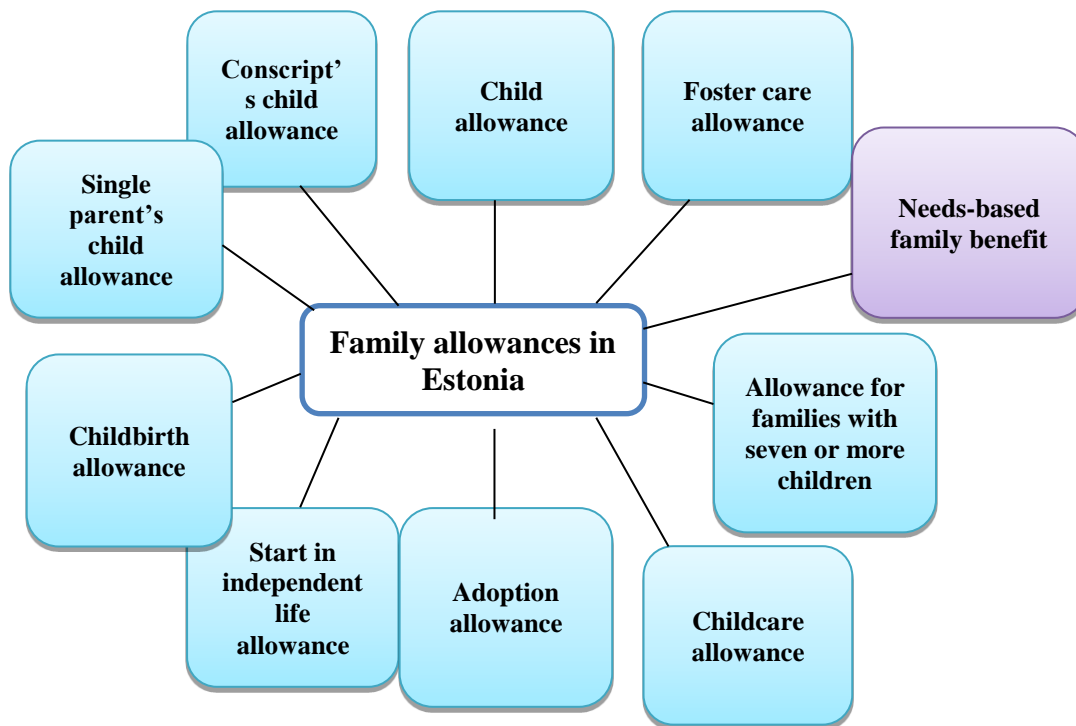


Figure 4. Family allowances in Estonia

Source: Social Insurance Board

Comprehensive description of family allowances paid in Estonia found below.

**Childbirth allowance** is a single benefit in the amount of EUR 320 for each child born if one child or twins are born. In the case of a multiple birth of three or more children, the amount of childbirth allowance is EUR 1,000 for each child.

**Adoption allowance** is a single benefit paid to an adoptive parent from whom an adopted child does not descend and who is not a step-parent of the child, if childbirth allowance has not been paid to the family for the same child earlier. The amount of adoption allowance is EUR 320.

**Child allowance** is a monthly allowance paid from the birth of a child until he or she attains 16 years of age. If the child goes to basic school, high school, or vocational school which operates on the basis of basic education, he or she will be paid the allowance until attaining 19 years of age. Child allowance is paid for the first and second child in a family in the amount of double the rate of child allowance (EUR 19.18) and for every third and consequent child in a family in the amount of eight times the rate of child allowance (EUR 76.72). The rate of child allowance was EUR 9.59 in 2013 (the same rate applies in 2014).

**Childcare allowance** is a monthly allowance paid to:

- a single parent raising a child up to three years of age or a person on parental leave instead of the parent of EUR 38.35 for each child up to three years of age and of EUR 19.18 for each child between three to eight years of age. A person who receives child allowance is paid additional childcare allowance for each child of up to one year of age. The amount of additional childcare allowance is EUR 6.40.

Childcare allowance shall not be paid for a child in connection with whose birth maternity or adoption benefit is paid pursuant to the Health Insurance Act. Childcare allowance shall not be paid for a child if the parent is paid parental benefit pursuant to the Parental Benefit Act.

**Single parent's child allowance** is a monthly allowance paid in the case of:

- a child in whose birth registration no entry has been made concerning the father or an entry has been made on the basis of a statement by the mother;
- a child whose parent has been declared to be a fugitive.

The amount of the allowance is twice the child allowance rate (EUR 19.18).

**Conscript's child allowance or child allowance of person in alternative service** is a monthly allowance paid in the case of when the parent is in compulsory military service or alternative service paid in the amount of five times the child allowance rate (EUR 47.95). This does not apply to third-country nationals because only Estonian citizens can be conscripts.

**Foster care allowance** is a monthly allowance paid for a child who is deprived of parental care and who is entitled to child allowance, if guardianship has been established for him or her or a foster care contract has been entered into with respect to him or her. The amount of the allowance is twice the child allowance rate (EUR 191.80).

**Start in independent life allowance** is a single benefit paid to a person with no parental care who has grown as a child in a social welfare institution or a school for children with special needs or who was given to custody or in reference to whom a foster care contract was signed, when he or she moves to live in a new place, at the latest two years after being deleted from the list of the welfare institution or the school for children with special needs or the end of custody or the foster care contract. The amount of the start in independent life allowance is 40 times the child allowance rate (EUR 383.60).

**Allowance for families with seven or more children** is a monthly state family benefit paid to a parent, guardian, or caregiver raising at least seven or more children who receive child allowance. The amount of the allowance is 2.2 times the childcare allowance rate (EUR 168.74).

Additional information on family benefits statistics can be found in Table 5.

**Needs-based family benefit** is a benefit paid to families with children whose income is below the income threshold of needs-based family benefit, from 2014 also to families with children who receive subsistence benefit. Therefore, needs-based family benefit is paid to families whose members include at least one child receiving child allowance pursuant to the State Family Benefits Act, if:

- 1) the family's average monthly net income has been below the needs-based income threshold of family benefit in the three months preceding the application or
- 2) if the family was allocated subsistence benefit for the month preceding the month of applying for needs-based family benefit.

Needs-based family benefit is allocated and paid by local government from budgetary means. The Riigikogu shall establish the income threshold of the needs-based family benefit for the first member of the family for each budgetary year in the state budget. The income threshold of needs-

based family benefit shall be based on the relative poverty threshold as last published by the Statistical Office by 1 March of the year preceding the budgetary year. Pursuant to the State Budget Act of 2013, in 2013 the income threshold of needs-based family benefit was EUR 280 a month for the first member of the family. The income threshold of needs-based family benefit for each subsequent family member who is at least 14 years of age was EUR 140 a month and for each family member under 14 years of age EUR 84 a month. Pursuant to the State Budget Act of 2014, in 2014 the income threshold of needs-based family benefit is EUR 299 a month for the first member of the family. The income threshold of needs-based family benefit for each subsequent family member who is at least 14 years of age is EUR 149.5 a month and for each family member under 14 years of age EUR 89.7 a month.

The amount of needs-based family benefit is from 1 July 2013 until the end of 2014 EUR 9.59 for a family with one child and EUR 19.18 a month for families with two and more children. As of 2015, the amount of the benefit shall be doubled, i.e. EUR 19.18 a month for a family with one child and EUR 38.36 a month for families with two or more children. The amount is paid only for those children in the family who also receive the child allowance pursuant to the State Family Benefits Act.

## 6. Unemployment benefits

In order to apply for the unemployment insurance benefit paid by the Estonian Unemployment Insurance Fund, the requirements for registering as an unemployed person must firstly be met. An alien who has temporary or long-term residence permit or the right of residence in Estonia has right to register as an unemployed person.

If a person becomes unemployed in Estonia, he or she has to register as unemployed at the Estonian Unemployment Insurance Fund. A person registered as unemployed will have health insurance as of the 31st day after registering. All employees working in Estonia shall pay unemployment insurance premiums from their monthly wages (2% of the unemployment insurance premium is paid by the insured and 1% by the employer).

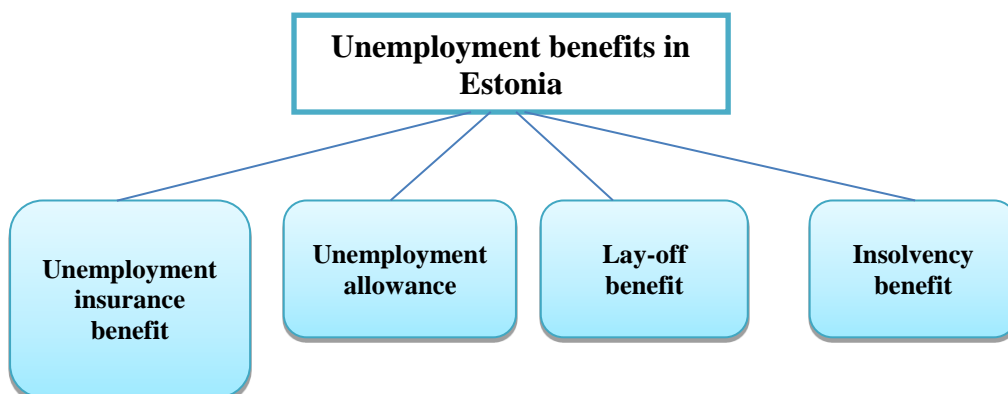


Figure 5. Unemployment benefits in Estonia

Source: Estonian Unemployment Insurance Fund

A person is entitled to **unemployment insurance benefit** if:

- he or she has registered as unemployed;
- their unemployment insurance period is at least 12 months during the three years prior to registration as unemployed or they have worked and paid unemployment insurance premium for at least 12 months during the three years prior to registering as unemployed;
- he or she did not leave the previous job or position at their own initiative (except for certain cases), with an agreement with the employer (§79 of Employment Contracts Act) or due to his or her wrongful behaviour.

Unemployment insurance benefit is paid according to the person's seniority in office at the last job:

- less than 56 months (4 years and 8 months), entitled to benefit for 180 calendar days;
- 56-110 months (4 years and 8 months up to 9 years and 2 months), entitled to benefit for 270 calendar days;
- 111 months (9 years and 3 months) or longer, entitled to benefit for 360 calendar days.

The unemployment insurance premium has both a maximum and a minimum limit. In 2013, the benefit for the first hundred days was at most EUR 34.02 a day and from the 101st day EUR 27.22 a day (gross amount).

The person is entitled to **unemployment benefit** if:

- his or her monthly income is less than the daily rate of unemployment benefit times 31 (EUR 101.68)<sup>11</sup>;
- in the year preceding registering as unemployed he or she was for at least 180 days employed, engaged in activities equal to employment or other activities, in case of which it cannot be presumed that he or she was working in the year preceding to registering as unemployed.

Unemployment benefits are assigned for up to 270 days. In exceptional cases, also for shorter periods.<sup>12</sup> If the unemployed receives unemployment insurance benefit he or she is not entitled to unemployment benefit.

Insurance **indemnity** in case of lay-off (hereinafter lay-off benefit) is paid to an employee or official whose employment or service relationship has lasted at least five years and whose employment contract has been cancelled upon lay-off.

The lay-off benefit payment period depends on how long the employment relationship or service has lasted at this employer:

- five to ten years – benefit is paid to the extent of average monthly wages or remuneration;
- more than ten years – benefit is paid to the extent of two average monthly wages or remuneration;
- If the employer lays off an employee whose employment relationship has as of 01.07.2009 lasted at least 20 years before 1 January 2015, the Unemployment Insurance Fund shall pay the employee lay-off benefit in the amount of three average monthly wages.

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<sup>11</sup> In 2014 EUR 112.22

<sup>12</sup>If the last employment relationship was terminated pursuant to clauses 3-8 of § 88 (1) of [Employment Contract Act](#) or you have been released from office due to a disciplinary offence, the unemployment benefit shall be assigned for up to 210 days.

The amount of the benefit shall be calculated on the basis of the employee's average wages or salary per calendar day in nine months thereby relying on the data of the database of unemployment insurance.

Pursuant to § 100 (1) of the Employment Contracts Act, the employer shall pay the employee lay-off benefit in the amount of one average monthly wage upon cancelling the employment contract. The employer shall notify the employee of lay-off at least 30 calendar days in advance and the previous working period has to be at least one year.

The objective of **bankruptcy benefit** (benefit for the insolvency of the employer) is to compensate the employee for unreceived salary, holiday pay, and benefits which were not received at the time of cancellation of the employment contract but which were prescribed by the Employment Contracts Act.

The amount of the benefit is calculated by the types of unreceived remuneration and the benefit amounts have the following limits:

- **unreceived salary** (before declaring the employer's insolvency) is compensated for the employee up to the extent of the gross wages of the three last worked months, but no more than three average gross wages in Estonia valid in the quarter prior to declaring the employer's insolvency;
- **unreceived holiday pay** (before declaring the employer's insolvency) is compensated for the employee up to the extent of the employee's one month's holiday pay, but no more than one average gross wages in Estonia valid in the quarter prior to declaring the employer's insolvency;
- **benefits not received at the time of cancellation of the employment contract** (before or after declaring the employer's insolvency) are compensated for the employee up to the extent of the employee's two month's gross wages, but no more than one average gross wages in Estonia valid in the quarter prior to declaring the employer's insolvency.

Statistics of the number of registered unemployed persons, the number of people receiving unemployment insurance benefit, and people receiving unemployment benefit can be found in Table 7, Table 8, and Table 9, respectively.

## **7. Guaranteed minimum resources benefits**

In Estonia, an alien who has a temporary or long-term residence permit or the right of residence is entitled to subsistence benefit.

**Subsistence benefit** is paid to all Estonian residents whose income and assets are below certain level. Subsistence benefit paid in Estonia is the state's financial assistance for people in need and this is paid to those in need by local government from budgetary means. The basis of calculating subsistence benefit is the net wages of a person living alone or that of all family members in the previous month, the fixed dwelling costs for the current month, and the established income threshold.

The Riigikogu shall establish the income threshold in the state budget. Pursuant to the State Budget Act of 2013, in 2013 the income threshold for a person living alone or for the first member of the family was EUR 76.70 per month. The amount of income threshold for the second and each subsequent member of the family was EUR 61.36 a month. Pursuant to the State Budget Act of 2014<sup>13</sup>, the income threshold for a person living alone or for the first member of the family is EUR 90 per month. In 2014, the amount of income threshold for the second and each subsequent member of the family is EUR 72 per month. A recipient of subsistence benefit, all the family members of which are minors, is besides the subsistence benefit entitled to an additional social benefit of EUR 15 paid by local government from budgetary means. In addition, a rural municipality government or city government may assign and pay additional social benefits from the local government budget.

Subsistence benefit is assigned and paid by the local government. The subsistence benefit applicant submits an application by the 20<sup>th</sup> of the month at the latest to the rural municipality or city government of his or her permanent residence.

Upon assigning a subsistence benefit, the following fixed dwelling costs are considered:

- 1) apartment rental or maintenance fee
- 2) cost of heat or fuel consumed for heating or hot water supply
- 3) cost of water consumed and sewerage service
- 4) cost of electricity consumed
- 5) cost of domestic gas consumed
- 6) land tax expenses, calculated on the basis of multiplying the land under the residential building by three times
- 7) building insurance costs calculated according to the dwelling
- 8) household waste carriage charge.

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<sup>13</sup> State Budget Act of 2014

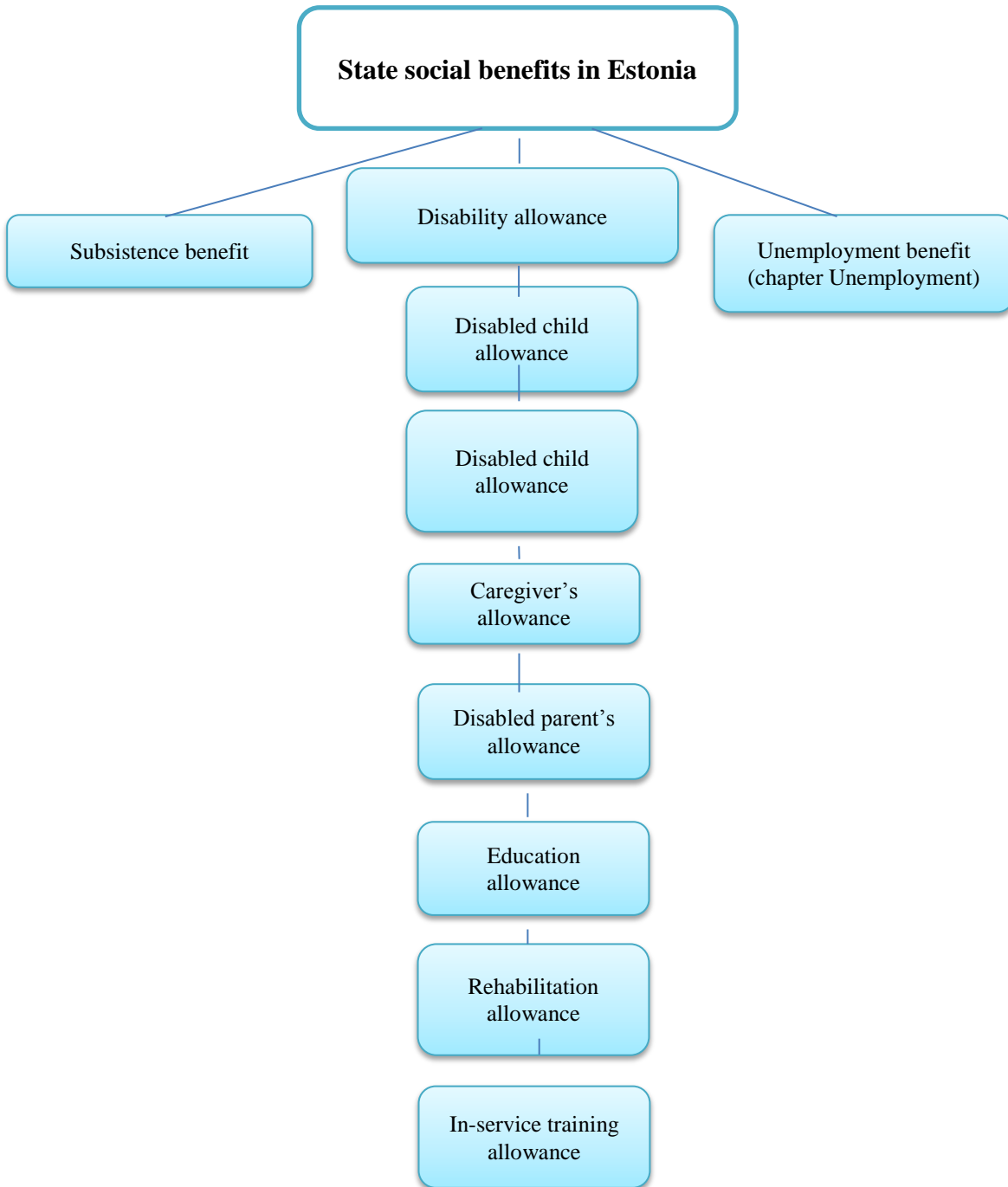


Figure 6. State social benefits in Estonia

Source: Ministry of Social Affairs

Upon applying for subsistence benefit an alien living in Estonia with a temporary residence permit primarily has to meet the requirement of Aliens Act (hereinafter AA)<sup>14</sup>: the alien must have sufficient legal income which would enable the alien and the family members of the alien to achieve subsistence in Estonia. If the alien does not meet this requirement, his temporary residence permit is invalidated and the alien must leave the country.

<sup>14</sup> Aliens Act §117 (1)3

Subsistence benefit recipient statistics are presented in Table 6. In the period 2010–2012, households of Russian citizens received the most subsistence benefits of third-country nationals, on average 1,800 households during the period, the families of Ukrainian citizens on average 97 households, and the families of Belarusian citizens on average 17 families a year.

### **Organisations responsible for the social security system**

In Estonia, the right to **social security** and **social assistance** primarily depends on the place of residence and whether the person has a legal basis to stay in the country, whereby the person's citizenship is not a requirement. The main rule is that in Estonia benefits are paid to an alien who has **temporary or long-term residence permit or the right of residence in Estonia**.

In Estonia, the **Ministry of Social Affairs** is responsible for social security and social welfare. The ministry manages the **Social Insurance Board**; the **Estonian Health Insurance Fund** and the **Estonian Unemployment Insurance Fund** are public organisations.

These divisions are responsible for managing the different areas of social security.

The entire Estonian social security system can be divided between the executive agencies in the administrative field of the Ministry of Social Affairs:

- the Estonian Health Insurance Fund manages monetary sickness benefits and health insurance;
- the Estonian Unemployment Insurance Fund that pays unemployment benefits;
- The Social Insurance Board coordinates the paying of old-age pensions, invalidity benefits, survivor's benefits, and family benefits.

Local governments support the system in the area of social welfare, but social welfare benefits are regulated by the state and paid from the state budget (except when they are benefits assigned and paid by the local government, for instance, the childbirth allowance for the children born in the rural municipality).

**The Social Insurance Board** ensures that pensions and benefits established by national legislation and international agreements are paid on time. The board manages pension insurance schemes, family benefit payments, social benefit payments to disabled people, keeps a register of insured persons and benefit recipients in (SKAIS); the board's committee performs medical examinations to evaluate permanent incapacity for work.

Pension Boards managed by the board review the applications submitted to apply for the previously mentioned benefits and organise the payment of benefits via banks or post offices.

**The Estonian Unemployment Insurance Fund** is responsible for the unemployment insurance scheme. The board's task is assigning and paying unemployment insurance benefits, assigning and paying insurance indemnity upon lay-off, and assigning and paying benefits for the employer's insolvency.

2<sup>nd</sup> and 3<sup>rd</sup> pension pillars are coordinated by the Ministry of Finance.



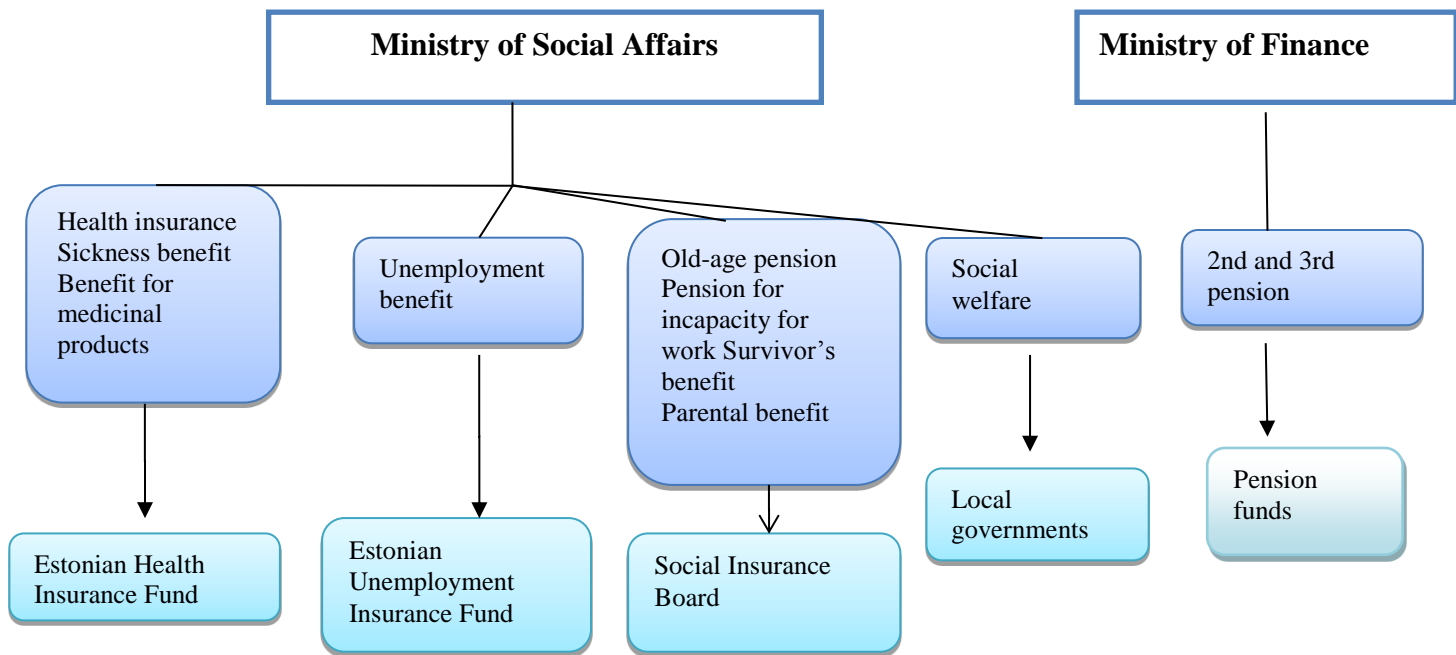


Figure 7. Estonian social security system  
Source: Ministry of Social Affairs

In Estonia, the following primary acts regulate the field of social security rights –

- Social Welfare Act (hereinafter abbreviated to SWA)
- State Pension Insurance Act;
- Social Tax Act
- State Family Benefits Act;
- Maintenance Allowance Act;
- Parental Benefit Act;
- Victim Support Act;
- Health Insurance Act;
- Unemployment Insurance Act;
- Labour Market Services and Benefits Act

The Aliens Act regulates the entrance of third-country nationals and their staying in the country. In Estonia, labour legislation is regulated by the Employment Contracts Act (hereinafter ECA).

The Police and Border Guard Board issues residence permits to third-country nationals.<sup>15</sup>

**Table 2.1. An overview of the social security system based on the national guidelines of MISSOC and how the system extends to third-country nationals (benefits and programmes, financial mechanisms, and their accessibility).**

“Branch” of social security	Benefits and programmes included in each branch	Financing mechanisms	Accessibility by third-country nationals
I. Healthcare	Health insurance	Contributory/ Mixed	Yes, TCN <sup>16</sup> can serve as the

<sup>15</sup>Police and Border Guard Board [www.politsei.ee](http://www.politsei.ee)

<sup>16</sup>The table uses the abbreviation TCN for third-country nationals

			subject for the Health Insurance Act <sup>17</sup> , conclude a private insurance policy or serve as the subject of an international agreement. Seasonal workers, who should be insured by their employer but should still have a private insurance policy in order to receive health insurance, are an exception.
II. Sickness cash benefits	<ul style="list-style-type: none"> <li>• Sickness benefits</li> <li>• Maternity benefits</li> <li>• Care allowances</li> <li>• Adoption benefits</li> </ul>	Generally contributory <sup>18</sup>	Paid to a TCN who has health insurance. Also, person should hold a valid residence permit.
III. Maternity and paternity benefits	<ul style="list-style-type: none"> <li>• Parental benefit</li> </ul>	Contributory	A TCN whose actual place of residence is in Estonia at least 183 days per year is entitled to it. Also, person should hold a valid residence permit.
IV. Invalidity benefits	In Estonia, invalidity benefit is under the benefit for the incapacity for work.	Contributory <sup>19</sup>	A person who is at least 16 years of age and declared permanently incapable for work and whose percentage of loss of capacity for work is 40 to 100 percent and who has acquired a pension qualifying period in Estonia to the desired extent by the beginning date of declaring permanent incapacity for work is entitled to the pension for incapacity for work. The residence permit must also be valid.
V. Old-age pensions and benefits	<ul style="list-style-type: none"> <li>• Old-age pension</li> <li>• National pension<sup>20</sup></li> </ul>	Contributory	A person who has become 63 years of age and has at least 15 years of pension qualifying period acquired in Estonia is entitled to an old-age pension. Old-age pension is the only benefit that the citizens of international agreement partner countries can export.
VI. Survivors' benefits	In Estonia, survivor's benefits are paid in the form of the survivor's	Contributory	A TCN is entitled to benefits from countries, with whom a bilateral international agreement has been

<sup>17</sup> §5 of the Health Insurance Act establishes insured persons

<sup>18</sup> For a person insured by the state or equal to an insured person, non-contributory

<sup>19</sup> A person who lacks seniority in office (in the age of 16–24 this requirement not valid), may also have non-contributory

<sup>20</sup> National pension is non-contributory

	pension.		concluded; qualifying period earned in the home country is also considered upon calculating. The residence permit must also be valid
VII. Benefits in respect of accidents at work and occupational diseases	In Estonia, paid as sickness cash benefits, in case of permanent damage to health as pension for the incapacity for work.	Contributory	A TCN is entitled to receive benefits, the residence permit must be valid
VIII. Family benefits	Family benefits include: <ul style="list-style-type: none"> <li>• Childbirth allowance</li> <li>• Adoption allowance</li> <li>• Child allowance</li> <li>• Childcare allowance</li> <li>• Single parent's child allowance</li> <li>• Conscript's child allowance</li> <li>• Foster care allowance</li> <li>• Start in independent life allowance</li> <li>• Large family (seven and more children) allowance</li> <li>• Needs-based family benefit (in MISSOC system under Guaranteed minimum resources)</li> </ul>	Non-contributory	A TCN is entitled to allowances, except for conscript's child allowance (only Estonian citizens) is entitled to needs-based family benefit pursuant to SWA, but upon applying for/extending the residence permit the person's justification for acquiring a residence permit in Estonia is considered because the TCN must have a sufficient legal income which would enable an alien and the family members of an alien to achieve subsistence in Estonia. The residence permit must also be valid.
IX. Unemployment benefits	<ul style="list-style-type: none"> <li>• Unemployment insurance benefit</li> <li>• Unemployment benefit<sup>21</sup></li> <li>• Lay-off benefit</li> <li>• Bankruptcy compensation</li> </ul>	Contributory	A TCN must register as unemployed. The residence permit must also be valid. A TCN who has a residence permit for working must leave the country upon the expiry of the residence permit/or upon the ending of working contract and is not entitled to export the benefit to his/her home country. As the residence permit is still valid, the person also receives benefits.
X. Guaranteed minimum resources	<ul style="list-style-type: none"> <li>• Subsistence benefit</li> <li>• Needs-based family benefit</li> </ul>	Non-contributory	Pursuant to AA, a TCN is also entitled to benefits, but the general principle of granting a temporary

<sup>21</sup> Unemployment benefit is non-contributory

	(In Estonian system under Family Benefits)		residence permit is that the alien has sufficient legal income which would enable an alien and the family members of an alien to achieve subsistence in Estonia. Legal income does not include subsistence benefit, therefore, the person can apply for it and also receive it, but upon applying for/extending the residence permit the person's justification for continuously acquire a residence permit in Estonia is considered. A residence permit of an EU Blue Card owner is refused or to be extended if the person has received subsistence benefit during the validity period of the EU Blue Card.
XI. Long-term care benefits	Long-term care services	Non-contributory	A TCN is entitled to receive. The residence permit must be valid.

### 2.1.2. State social benefits not included in the MISSOC national guidelines

**1.** Aliens with a temporary residence permit or long-term residents and aliens living in Estonia with the right of residence are entitled to **maintenance allowance**. A child who receives similar maintenance allowance from some other country is not entitled to maintenance allowance.

**Maintenance allowance** is an allowance paid by the Social Insurance Board and a minor child whose parent does not meet the maintenance obligation or does not perform it to the extent required in the Family Law Act is entitled to it. Maintenance allowance is paid to a parent who is pursuing the provision of maintenance in court, except changing the amount of the allowance.

**2. Benefit paid to victims of crime** is for Estonian citizens; a person who lives in Estonia with a long-term resident residence permit or the right of residence or temporary residence permit or the right of residence; a European Union citizen; a national of a country that has joined the European Convention on the Compensation of Victims of Violent Crimes; a beneficiary of international protection staying in Estonia; a victim of human-trafficking or sexually abused minor regardless of whether he/she has a legal basis to stay in the Republic of Estonia.

The Social Insurance Board pays the state benefit to **crime victims**. The benefit is paid to the victims and the victim's dependants if the crime occurred on the territory of the Republic of

Estonia. In addition, the Victim Support Act enables to apply for compensating the victim's funeral and medical treatment expenses to the person who actually bore these costs. Compensation is paid if, as a result of the crime, the victim has developed serious health damage, a health disorder lasting for at least six months, or if the victim died as a result of the crime. Pursuant to the Victim Support Act, the person is compensated for 80% of material damage but no more than EUR 9,590 in total to one victim and all his/her dependants.

## **2.2. Social security system and immigration**

Social security and immigration policy do not have direct links. In general all aliens living in Estonia with at least a temporary residence permit are protected by the same social security rights as citizens of the Republic of Estonia. However they are obliged to meet the requirements set in AA (e.g. residing permanently in Estonia, general condition of the issuance of the temporary resident permit).

## **2.3. Any recent changes to the eligibility rules for any of the social security benefits and programmes**

No.

### 3. NATIONAL RULES ON ACCESS TO SOCIAL SECURITY SYSTEM BY THIRD-COUNTRY NATIONALS

This chapter examines more closely which requirements the third-country nationals have to meet to receive allowances and benefits paid in Estonia when living here permanently.

#### Residence permits to live in Estonia

AA establishes the general requirements for issuing a temporary residence permit that have to be fulfilled while granting residence permit on any grounds.

Pursuant to AA<sup>22</sup>, one of the requirements is that the residence permit applicant must have an insurance to cover medical treatment expenses arising from the alien's illness or injury. To meet the insurance cover requirement, the alien must have concluded an insurance contract that would ensure compensating his/her medical treatment expenses arising from his/her illness or injury to the same extent as for an insured person during the validity period of the residence permit applied for. At the same time, the alien is not required to submit an insurance contract upon applying for a residence permit if he/she has compulsory health insurance pursuant to the Health Insurance Act, or in a case provided for by a treaty<sup>23</sup>.

If the required insurance policy cannot be concluded prior to acquiring a residence permit, the alien must submit to the PBGB a written confirmation that he/she shall conclude the required insurance contract within two months at the latest after having settled in Estonia or shall conclude an insurance contract that would cover his/her medical treatment expenses until concluding the required contract (e.g. travel insurance contract). The PBGB does not approve the written confirmation if the applicant is staying in Estonia or has arrived in Estonia before reaching a decision about the application (e.g. with a visa)<sup>24</sup>.

The AA also establishes the general principles for revoking the temporary residence permit, and, accordingly, the person's residence permit may be revoked if the alien does not have an insurance contract that would guarantee meeting any costs related to his/her medical treatment as a result of illness or injury during the period of validity of the residence permit.<sup>25</sup> Over the years, the number of cases of revoked the residence permit due to not having an insurance contract has been very low, up to 3% of total revocations. Most residence permits are revoked if there is a reason to refuse to issue or extend the residence permit to the alien<sup>26</sup>, up to 68% of cases. Revoking the alien's residence permit due to him/her not registering<sup>27</sup> his/her absence from Estonia occurred in 2011 four times, in 2012 five times, and in 2013 24 times.

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<sup>22</sup> Aliens Act §117 (1)4)

<sup>23</sup> Aliens Act § 120

<sup>24</sup> Police and Border Guard Board [www.politsei.ee](http://www.politsei.ee)

<sup>25</sup> Aliens Act § 135 (1)3)

<sup>26</sup> Aliens Act § 135 (2)2)

<sup>27</sup> Aliens Act § 135 (2)6)

Table 1. Revoked the residence permit if the person has no insurance contract

Revocation year	Grounds for issuing a temporary residence permit	Grounds for revocation : Pursuant to AA § 135 (1)3), no insurance contract	Total number of revoked residence permits
2010	AA § 12 (2) spouse	1	N/A
2011	AA § 12 (2) spouse	2	
2011	AA § 12 (1)1) member of a company's management body	1	
2011	AA § 12 (1)2) for studying	1	
2011	AA § 201 international agreement	1 In 2011, 5 decisions	In 2011, total <b>170</b>
2012	AA § 137 (1) to the spouse	1	
2012	AA § 12 (2) spouse	1	
2012	AA § 198 sufficient legal income	1 In 2012, 3 decisions	In 2012, total <b>272</b>
2013	AA § 137 (1) to the spouse	1	In 2013, total <b>291</b>

Source: Police and Border Guard Board.

Comment: In 2008–2009, no residence permits of aliens were revoked pursuant to AA<sup>28</sup>. Residence permits revocation statistics for “total” as of 2011.

Another general principle is AA<sup>29</sup>: the alien has sufficient legal income which would enable an alien and the family members of an alien to achieve subsistence in Estonia. As in Estonia sufficient legal income does not include subsistence benefit nor needs-based family benefit, the TCN, upon applying for/extending a residence permit, has to consider the possibility that his/her residence permit is not extended due to insufficient income.

#### 1. Residence permit to settle with a family member

If a residence permit has been issued to an adult child to settle with a parent permanently living in Estonia, to a parent or grandparent settling with an adult child or grandchild permanently living in Estonia or to a ward settling with a guardian permanently living in Estonia, the close relative to be settled with is obliged to pay the alien's care and medical treatment expenses.<sup>30</sup>

#### 2. Working student

In Estonia, pursuant to the Health Insurance Act only students who have Estonian citizenship or long-term resident residence permit health insurance is covered. European Union citizens have

<sup>28</sup> Aliens Act § 135 (1)3).

<sup>29</sup> Aliens Act § 117 (1)3)

<sup>30</sup> Aliens Act § 152

equal rights to health insurance as Estonian residents. Pursuant to AA<sup>31</sup>, international students who have received a temporary residence permit to study in Estonia are not automatically covered by health insurance. Therefore, students from third countries are required to conclude a health insurance contract with an insurance company for the validity period of their residence permit in order to receive health insurance that would guarantee paying the medical treatment expenses resulting from their illness or injury for the period when they stay in Estonia.<sup>32</sup>

In case the international student works in Estonia, benefits and allowances related to working extend to him/her and his health insurance is covered. International students who have become unemployed and for whom the employer has paid social tax and unemployment insurance premiums is entitled to the same employment services and allowances and unemployment insurance benefits as Estonian citizens and residents.

### 3. Residence permit for working – including seasonal worker and frontier worker

AA<sup>33</sup> regulates the requirements for remuneration paid to an alien. Namely, the employer is obliged to pay to the alien remuneration in an amount at least equal to the annual average wage most recently published by Statistics Estonia and multiplied by a coefficient of 1.24. Remuneration criterion is regulated because upon granting a temporary residence permit for working the alien's remuneration must enable his subsistence in Estonia. The employer can be fined for not paying the alien remuneration or paying the alien a lower remuneration than the rate for working in Estonia in the amount of up to 300 fine units (EUR 1,200). If the same act is committed by a legal person, the fine is up to EUR 3,200.<sup>34</sup>

In Estonia, a seasonal worker is an exception when it comes to health insurance, namely, a seasonal worker could be considered as a person insured by the employer and therefore all the Estonian health insurance benefits would extend to him/her, but this is not so and the person must conclude a private insurance contract for the entire period of working in Estonia.

If the person has worked as a seasonal worker only in Estonia, during the procedure of unemployment insurance benefit only the national law is applied to him/her pursuant to the Unemployment Insurance Act, but regulation no 883/2004 of the European Parliament and Council is applied to frontier workers, pursuant to the article 65 (2) of which the frontier worker must refer to the employment office of his/her country of residence and apply for benefit there upon becoming unemployed.

Or, in case of a third-country national who has a legal right to stay in Estonia and who at the same time is also a frontier worker (e.g. works in Latvia, but lives in Estonia), he/she is entitled to register as unemployed at the Estonian Unemployment Insurance Fund and apply for unemployment insurance benefit.<sup>35</sup>

#### Alien becomes unemployed

In order to apply for the unemployment insurance benefit of the Estonian Unemployment Insurance

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<sup>31</sup> Aliens Act § 172

<sup>32</sup> *European Migration Network study "Immigration of International Students – Estonia's report", 2012*

<sup>33</sup> Aliens Act § 178

<sup>34</sup> Aliens Act 302 (1, 2)

<sup>35</sup> Reply from Estonian Unemployment Insurance Fund 07.11.2013



cover Fund, first the requirements for registering as an unemployed person must be met. In Estonia, the following persons can register as unemployed: an Estonian citizen living in Estonia or an alien living in Estonia with a permanent/temporary residence permit or the citizen of a European Union Member State, Switzerland, Iceland, Liechtenstein, and Norway or a refugee, beneficiary of temporary/additional international protection or asylum-seeker. If the person has registered as unemployed as required, there are no differences applied to third-country nationals upon receiving benefits.<sup>36</sup> If the alien's residence permit for living in Estonia is cancelled, the person loses the right to receive benefits or the person shall receive all benefits related to unemployment until he/she has a valid residence permit. According to the information from the PBGB, the person's residence permit shall be revoked within a reasonable amount of time, i.e. within a period during which the person can smoothly terminate all actions in Estonia and leave for his/her home country (the person can also determine the time considered as a reasonable period during which he/she could leave Estonia).

#### The alien's residence permit expires, but the employment contract is valid

The employer has the obligation to check within the validity period of an employment contract whether the employee has legal grounds to work in Estonia. If the employee has no such permit, the employment contract must be terminated. Upon the expiration of the employee's residence permit validity during the employment relationship, the employer can extraordinarily cancel the employment contract for a reason arising from the employee pursuant to ECA<sup>37</sup> (it cannot be reasonably demanded that the employment relationship should be continued in the interests of both parties). Under these circumstances, the advance notice periods do not have to be followed and the employee only needs to be paid the final settlement. Upon terminating the employment contract, the employer must notify the PBGB of this in one week. Upon the termination of the residence permit, the employee must leave Estonia.

#### Alien's right to apply for Estonian citizenship

Pursuant to the Citizenship Act<sup>38</sup> outlines conditions for a person upon acquiring Estonian citizenship. Among others conditions, the person must:

- hold a long-term residence permit or the right of permanent residence;
- prior to the date on which he or she submits the application for Estonian citizenship, have lived in Estonia for at least eight years on the grounds of a residence permit or by right of residence, of which at least the last five years on a permanent basis;
- have lawfully and on a permanent basis resided in Estonia on the grounds of a long-term residence permit or by right of permanent residence for six months from the day following the date of registration of the application for Estonian citizenship;
- have a registered place of residence in Estonia;
- have a permanent legal income which ensures his or her own subsistence and that of his or her dependants.

<sup>36</sup>Reply from Estonian Unemployment Insurance Fund 07.11.2013

<sup>37</sup>Employment Contracts Act § 88 (1)

<sup>38</sup>Citizenship Act § 6

The following are deemed to be permanent legal income: remuneration earned lawfully under a contract of employment, contract of service, civil law contract or membership; income obtained from lawful business activity or property; pensions; grants; maintenance allowance; benefits paid under law; maintenance provided by a family member with a permanent legal income in Estonia. Legal income does not include subsistence benefit and needs-based family benefit paid in Estonia.

Staying in Estonia on a permanent basis means lawful residence in Estonia for at least 183 days in a year, while any period of absence from Estonia may not exceed 90 consecutive days in a year.<sup>39</sup>

### **3.1. The minimum period of stay in the country**

Explicitly, there is no minimum period of stay in the country established for third-country nationals in order that they would receive benefits and allowances listed in chapter 2. The general principle is that the person must have a valid residence permit or the right of residence in Estonia. The shortest basis for staying in the country is a visa. Short-term C-visa and long-term D-visa are not sufficient in Estonia in order to extend the national social security rights to the person. An alien travelling to Estonia with a visa must have met the health insurance contract insurance amount rate pursuant to a regulation of the Government of the Republic<sup>40</sup>, which is EUR 30,000 for the entire period spent in Estonia or on the territory of Schengen convention member states. Third-country nationals who are staying in Estonia with a D-visa for short-term working are not entitled to benefits paid in Estonia. In this case, the person's health expenses must be covered by his/her health insurance contract that would guarantee the payment of medical expenses resulting from his/her illness or injury during the visa validity period.<sup>41</sup> The person is not a subject of insured persons by an employer under the Health Insurance Act.

One pre-requisite of a temporary residence permit is that the person stays permanently in Estonia for at least 183 days. If the permanent residence requirement is not met, the alien's residence permit may be revoked and the person shall thus no longer be entitled to social security benefits. The minimum term during which a third-country national becomes entitled to insurance cover is outlined in section 3.3. At the same time, it is worth noting that upon acquiring allowances and benefits the same principles apply as for Estonian citizens.

### **3.2. The right to export benefits to home country**

Estonian exports only pension benefits and only for the citizens of contractual countries (in detail in chapter 5). The general rule is that if the residence permit issued to an alien to live in Estonia is cancelled, paying of benefits in Estonia is also cancelled.

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<sup>39</sup>Citizenship Act § 7 and § 11

<sup>40</sup>Pursuant to regulation "List of data to be submitted and certificates to be annexed upon application for issue of long-term visa and extension of period of stay and requirements for submission thereof, and terms for issue of visa and refusal of issue of visa, extension of period of stay and refusal of extension of period of stay, premature termination of period of stay, and the times of annulment and revocation of the visa and the amount of funds sufficient for covering the expenses required for application for and acquisition of the visa and rate of insured amount of health insurance" of the Government of the Republic

<sup>41</sup>Ministry of Foreign Affairs website <http://www.vm.ee/?q=node/9231>

All Estonian citizens have the obligation to take care that their **residence data in the population register**<sup>42</sup> are correct and, if necessary, for instance, if a person moves (to another country), he/she has to notify the local government of changing the place of residence and the person's data shall be amended accordingly in the population register. As the person has the obligation to notify the local government upon moving abroad, but there are no penalties upon no notification, many persons leave their Estonian address in the population register and thus continue to receive benefits paid in Estonia also when they move abroad. In Estonia, such action is a problem amongst Estonian citizens, TCNs are not subject of such action. But if a residence permit issued to an alien to live in Estonia is cancelled, paying the benefits in Estonia is also cancelled. The population register data is updated in the databases of the Ministry of Social Affairs every 24 hours and the person is obliged to return overpaid amount of benefit.

### 3.3. The minimum period of working

As a general rule, if the residence permit is revoked, the person shall not be entitled to health insurance; as long as the residence permit is valid, the person is entitled to all benefits.

#### Being entitled to health insurance and its expiration

A person shall be insured by an employer if he/she works under a contract of service for longer than one month or without term, shall acquire health insurance, and the insurance shall be valid for **two months** after the termination of employment or service relationship/authorisations.

A person shall be insured by an employer if he/she is a person receiving wages or service charges under a contract under the law of obligations with a deadline longer than three months or without term concluded to provide contractor, authorisation, or some other service and the insurance shall be valid for **two months** after the termination of employment or service relationship/authorisations.

A person who acquires health insurance as he/she pays social tax for himself/herself, i.e. a person registered in the commercial register or in a regional tax centre of Estonian Tax and Customs Board of his/her residence as a self-employed person shall have valid health insurance also for **two months** after submitting the notification to the Estonian Tax and Customs Board or commercial register of terminating enterprise.

A person insured by the state (see the section about insured persons) is generally insured for one month after the termination of the state's social tax obligation, except for an unemployment insurance benefit beneficiary who is insured for **two months** after the social tax obligation of the Estonian Unemployment Insurance Fund is terminated.

#### Right to unemployment insurance benefit

A person is entitled to register as unemployed and thus to unemployment insurance benefit if his/her unemployment insurance period is at least 12 months during the three years prior to registration as unemployed or the person has worked and paid unemployment insurance premium for at least 12 months during the three years prior to registering as unemployed.

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<sup>42</sup> **The Population Register** is a unified database of main personal data of Estonian citizens and aliens living in Estonia with a residence permit or the right of residence, managed and developed by the Ministry of Interior.

### Right to unemployment benefit

A person is entitled to unemployment benefit if in the year preceding registering as unemployed he or she was for at least 180 days employed, engaged in activities equal to employment or other activities, in case of which it cannot be presumed that he or she was working in the year preceding to registering as unemployed.

### Right to receive benefits for retraining expenses

The Unemployment Insurance Fund compensates the employer 50% (but no more than EUR 1,250) of the employee's retraining or in-service training expenses if prior to starting work the employee was registered as unemployed for at least 12 months in a row and the training improves the knowledge and skills required for performing his/her job tasks.<sup>43</sup>

## **3.4. Migration-specific conditions in accessing social security system**

The Estonian social security system is based on the principle of solidarity, i.e. all the benefits extend to all the permanent residents of Estonia, such as Estonian citizens, citizens staying in Estonia with a temporary residence permit and the right of residence or a long-term residence permit/permanent right of residence. Therefore, all third-country nationals who live in Estonia and have at least a temporary valid residence permit are entitled to be the subjects of the Estonian social security system.

However, receiving subsistence benefit and needs-based family benefit from social benefits may obstruct extending the person's residence permit, receiving a long-term resident's residence permit, acquiring citizenship, or settling with family. The general principle of issuing a temporary residence permit is that the alien has sufficient legal income which would enable an alien and the family members of an alien to achieve subsistence in Estonia.<sup>44</sup> Persons who have been given a European Union Blue Card are regulated separately. Namely, AA it has been regulated that if an alien who holds an EU Blue Card has received subsistence benefit during the validity period of the EU Blue Card, a residence permit of an EU Blue Card owner will be refused.<sup>45</sup>

As of 2013, there were no such cases, in which an alien who has acquired an EU Blue Card would be refused to extend the residence permit or the residence permit would have been revoked due to the Blue Card owner receiving subsistence benefit. Namely, the Police and Border Guard Board does not have immediate access to the social services and allowances database STAR (administrated by Ministry of Social Affairs) that includes information on receiving subsistence benefit and thus the Police and Border Guard Board would have to submit a relevant query to before mentioned ministry . So far the Police and Border Guard Board have not inquired about any person as to whether he or she receives subsistence benefit.<sup>46</sup>

<sup>43</sup>Estonian Unemployment Insurance Fund [www.tootukassa.ee](http://www.tootukassa.ee)

<sup>44</sup>Aliens Act § 117 (1)3)

<sup>45</sup>Pursuant to AA § 190<sup>12</sup>, specification of the grounds of refusing to extend or invalidating a residence permit issued for working in section 3 – a subsistence allowance has been assigned to an alien during the period of validity of an EU Blue Card.

<sup>46</sup>Reply from the Ministry of Social Affairs 05.11.2013

According to information from the PBGB there have been cases in which a person has been refused a long-term resident residence permit because he/she has received subsistence benefits. Such persons are more likely stateless persons who are permanent residents of Estonia and whose residence permit is not revoked, but extended based on temporary residence permit.<sup>47</sup>

### **3.5. Other conditions**

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<sup>47</sup> Comment from Police and Border Guard Board 31.01.2014

## 4. ADMINISTRATIVE PRACTICE THAT AFFECT ON THIRD-COUNTRY NATIONALS ACCESS TO SOCIAL SECURITY

### 4.1 Exercising the right of discretionary conditions and

### 4.2. Factors used by an official upon exercising of discretionary criteria

This chapter examines whether exercising the right of discretion for third-country nationals entails any consequences (entitlement to receive benefits). Pursuant to the Administrative Procedure Act<sup>48</sup>, the right of discretion is an authorisation granted to an administrative authority by law to consider making a resolution or choose between different resolutions. In Estonia, in the context of this study, discretion is used in the following cases:

#### 1.Right to unemployment insurance benefit

The Estonian Unemployment Insurance Fund exercises the right of discretion primarily in cases, in which in addition to completing the unemployment insurance period in Estonia, the insurance period completed in a foreign state is also considered pursuant to article 61 (1) of regulation no 883/2004<sup>49</sup>. Upon assigning an unemployment insurance benefit, all unemployment insurance periods completed in all EU Member States (also Norway, Iceland, Liechtenstein, and Switzerland) are considered. Pursuant to article 65 (2)5a) of the regulation, the unemployed person can choose whether he/she applies for benefits in the last state where he/she worked or returns to their state of residence (also third-country nationals who are lawfully staying in Estonia and for whom Estonia serves as the state of residence). If a person who has worked in a foreign state and who is registered at the Estonian Unemployment Insurance Fund, but for whom Estonia may not qualify as his/her state of residence applies for unemployment insurance benefit in Estonia, the benefit decision is made exercising the right of discretion, i.e. it is assessed whether the unemployed is a permanent resident of Estonia i. It does not matter whether it is an Estonian, Italian, or Egyptian citizen possessing a residence permit in Estonia – if the conditions for registering as unemployed have been met, the person is entitled to apply for unemployment insurance benefit, if desired.

A permanent resident is considered to be a person who worked in a foreign state only temporarily and at the same time lived in their state of focal point (in this case Estonia). Upon determining the person's focal point, the set of circumstances, among other things, considers the reason for leaving for a foreign state and the person's intentions upon leaving, the length of absence, the nature of the work in that foreign state, the length of employment relationship, and whether the person retained close personal and occupational links with the state of residence. Upon exercising the right of discretion, the criteria (criteria for determining the place of residence) established in article 11 of regulation no 987/2009 of European Parliament and Council are assessed.

If the person has already been assigned a benefit, the right of discretion is also used for invalidating and amending decisions by applying the provisions of administrative proceeding that extend to all benefit cases.<sup>50</sup>

<sup>48</sup> Administrative Procedure Act § 4 (1)

<sup>49</sup> Regulation no 883/2004 of European Parliament and Council (EC), 29 April 2004, on coordinating social insurance systems

<sup>50</sup> Reply from Estonian Unemployment Insurance Fund 07.11.2013

## 2.Right to subsistence benefit and needs-based family benefit

Upon assigning subsistence benefit and needs-based family benefit, local governments are also entitled to a certain right of discretion. The right of discretion is regulated in SWA<sup>51</sup> that lists when a rural municipality or city government may leave subsistence benefit/needs-based family benefit unassigned.

Pursuant to SWA<sup>52</sup>: A rural municipality or city government may refuse to grant subsistence benefit:

- 1) to a person between the age of 18 and the pensionable age with capacity for work who is not working or studying, and who has, more than once and without good reason, turned down suitable work offered to him or her, or has refused to participate in employment services or in social services or study organised by a rural municipality or city government directed towards independent ability to cope;
- 2) a person who, or whose ward, is entitled to receive support but who refuses to submit a document certifying the right to receive the support or refuses to claim the support;
- 3) if the corresponding committee of a rural municipality or city government finds that the movables and immovable used or owned by an applicant for subsistence benefit or his or her family ensure sufficient funds for coping for the person or his or her family.

Hereby, SWA has not specified what are the factors to be considered upon such right of discretion. However, the general principle of subsistence benefit as well as social welfare principles and tasks outlined in SWA § 3 are of help.

The Ministry of Social Affairs believes that upon assigning and paying subsistence benefit and needs-based family benefit it should be primarily followed whether the person is in need or not. For instance, upon assessing the assets owned by the person it should be considered if these assets are such that would allow the person to cope without subsistence benefit. Thereby, the value of the assets is not as significant as the kind of income the asset could earn the person. For instance, an empty shed located on relatively highly priced land cannot earn the person income that would allow the person to cope without the benefit in the month of applying for the subsistence benefit.<sup>53</sup>

### **4.3. Additional materials for officials upon exercising the right of discretion**

Pursuant to the confirmation of the Ministry of Social Affairs about exercising the right of discretion upon assigning subsistence benefit (and needs-based family benefit), the local government has to proceed from the provisions of SWA and Administrative Procedure Act. Officials may use explanatory memorandums as additional materials.

Before the law regulating the payment of needs-based family benefit entered into force, the Ministry of Social Affairs also conducted an information day for social workers of local governments and the representatives of county governments in all 15 counties, during which matters

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<sup>51</sup> Social Welfare Act in case of subsistence benefit § 22<sup>3</sup> (3) and in § 22<sup>7</sup> (3) in case of needs-based family benefit § 22<sup>3</sup> (3)2)

<sup>52</sup> Social Welfare Act § 22<sup>3</sup> (3):

<sup>53</sup> Reply from the Ministry of Social Affairs 5.11.2013

related to needs-based family benefit were introduced. Among other things, the information day also treated the right given to local government to make discretionary decisions. Moreover, local governments have the chance to participate in different trainings offered on the market, including trainings that focus on discretionary decisions upon exercising administrative proceedings.<sup>54</sup>

Pursuant to the confirmation of the Estonian Unemployment Insurance Fund, the fund follows the criteria (criteria for determining the place of residence) established in article 11 of regulation no 987/2009 of the European Parliament and Council upon exercising the right of discretion. The Commission of the European Communities has not provided any other guidelines or trainings. From national legislation, they apply the provisions of the Administrative Procedure Act.<sup>55</sup>

The Social Insurance Board has also been entitled to exercise the right of discretion. Upon exercising the right of discretion, the goal and the principles of proportionality and equal treatment as well as other generally recognised principles are followed. Many officials have completed training about administrative proceedings. Exercising the right of discretion is in compliance with the Administrative Procedure Act.<sup>56</sup>

#### **4.4 How receiving the right to social security influences the right of a third-country national to acquire or extend a residence permit**

Receiving subsistence benefit and needs-based family benefit from social benefits may obstruct extending the person's residence permit, receiving a long-term resident's residence permit, acquiring citizenship, or settling with family. The general principle of issuing a temporary residence permit is that a third-country national has sufficient legal income which would enable him/her and his/her family members to achieve subsistence in Estonia.<sup>57</sup> Persons who have been given a EU Blue Card are regulated separately. Namely, Aliens Act<sup>58</sup> regulates that if a third-country national who holds an EU Blue Card has received subsistence benefit during the validity period of the residence permit, his/her residence permit will be revoked or not renewed.<sup>59</sup>

#### **4.5. Additional materials for third-country nationals for communicating with relevant executive agencies**

Information on the websites of the Ministry of Social Affairs as well as for all relevant executive agencies is in Estonian, Russian, and English. In addition, Estonian Health Insurance Fund regularly publishes information booklets that are mainly in Estonian and Russian, but in 2013 the first information booklet in English was also published.<sup>60</sup>

<sup>54</sup> Reply from the Ministry of Social Affairs 5.11.2013

<sup>55</sup> Reply from the Estonian Unemployment Insurance Fund 7.11.2013

<sup>56</sup> Reply from the Ministry of Social Affairs 7.11.2013

<sup>57</sup> Aliens Act § 117 (1)3)

<sup>58</sup> Aliens Act § 190<sup>12</sup>

<sup>59</sup> Pursuant to AA § 190<sup>12</sup>, specification of the grounds of refusing to extend or invalidating a residence permit issued for working in section 3 – a subsistence allowance has been assigned to an alien during the period of validity of an EU Blue Card.

<sup>60</sup> Estonian Health Insurance Fund [www.haigekassa.ee](http://www.haigekassa.ee)



In addition, it is possible to communicate in the customer service offices in Estonian, Russian, and English. At the same time, all the forms of all the executive agencies of this field are only in Estonian, but in a telephone conversation with the representatives of the agencies it was established that aliens are helped with filling the forms in the customer service offices and all the agencies confirmed that a person may fill in a form, originally in Estonian, also in Russian or English.<sup>61</sup>

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<sup>61</sup> Phone conversation with Estonian Unemployment Insurance Fund, Estonian Health Insurance Fund, and the Social Insurance Board, 15.01.2014

## 5. EXTERNAL DIMENSION OF SOCIAL SECURITY

### 5.1. Bilateral international agreements with third countries

The Republic of Estonia has concluded bilateral agreements with nine countries in regards to social security. Of these, four agreements have been concluded with so-called third countries in terms of this study. These countries are Russia, Ukraine, Moldova, and Canada. The bilateral agreements referred to, mainly regulate paying of pensions, except for the agreement with Ukraine that also regulates the paying of unemployment benefit, parental benefit, family benefit, and funeral expenses. The addition of regulation of parental benefit and unemployment insurance to the Estonian social insurance system entailed the need to renew the previously valid Estonia–Ukraine social security agreement that was valid as of 1997.

Agreements concluded with former Soviet Union countries (Moldova, Ukraine, Russia, also Latvia and Lithuania) also regulate the cases of overlapping insurance periods of the former Union of Soviet Socialist Republics in order to avoid the double taxation of the given period.

In terms of migration it is worth noting the agreement between the Republic of Estonia and the Russian Federation for the social guarantees of Russian Federation armed forces pensioners on the territory of the Republic of Estonia<sup>62</sup> concluded in 1994 and entered into force on 2.02.1996. It is one of the two international agreements concluded by Estonia which regulates issuing of residence permits for a certain groups of aliens. Pursuant to article 2 of this agreement, retired military, their family members, and survivors shall acquire a residence permit in the Republic of Estonia with a personal application, except those persons who were refused to be issued a residence permit by the decision of the Government of the Republic of Estonia due to a threat to the security of Estonia.

Over the years, a general cooperation agreement handling pension insurance has been concluded with Russia. The last cooperation agreement was concluded in 2011 and it establishes the state responsible for paying the pension.

**Table 2. Agreements concluded with foreign states**

State	Agreement name	The agreement regulates...	Entry into force
Moldova	Social security agreement between the Republic of Estonia and the Republic of Moldova <sup>63</sup>	Pensions (old-age, permanent accident at work/invalidity, and the loss of a provider), Benefits (invalidity benefit for accident at work and occupational disease)	1.08.2012
Ukraine	Social security agreement between the Republic of Estonia and Ukraine <sup>64</sup>	Pensions (pension insurance) Benefits and allowances	1.02.2012

<sup>62</sup> RT II 1995, 46, 203

<sup>63</sup> RT II, 24.05.2012, 4

<sup>64</sup> RT II, 07.11.2011, 2

		(accident at work, occupational disease, unemployment benefit, unemployment insurance benefit, family benefits, death grant)	
Canada	Social security agreement between the Republic of Estonia and Canada <sup>65</sup>	Pensions	1.11.2006
Russia	Agreement between the Republic of Estonia and the Russian Federation for the social guarantees of Russian Federation armed forces pensioners on the territory of the Republic of Estonia <sup>66</sup>	Pensions	2.02.1996
	Cooperation agreement between the Republic of Estonia and the Russian Federation on pension insurance <sup>67</sup>	Pensions	1.04.2012

Source: Social Insurance Board

## 5.2. Do bilateral agreements enable:

### i) a third-country national working in Estonia to be the subject of a social security system of his/her state

Only article 5 of the social security agreement between the Republic of Estonia and Ukraine<sup>68</sup> notes that:

- 1) a person who has been employed in the territory of one contracting party and whose employer sends him/her to the territory of another contracting party in order to work for the same employer is applied the legislation of the first contracting party presuming that the business trip does not last longer than 24 months;
- 2) a state public servant and a person equalised with a state public servant sent to the territory of another contracting party by an agency or state authority of one contracting party is applied the legislation of the first contracting party;
- 3) a crew member or a person working on a ship is applied the legislation of this contracting party on whose flag vessel he/she works;
- 4) a person working in an airlines, railway, or car transport company that performs international transport on the territory of both contracting parties is applied the legislation of this contracting party on whose territory the company has been registered.

<sup>65</sup> RT II 2005, 28, 93

<sup>66</sup> RT II 1995, 46, 203

<sup>67</sup> RT II, 11.10.2011, 2

<sup>68</sup> RT II, 07.11.2011, 2

Therefore, in case of posted workers, the person shall remain the subject of the social security system in the state where his/her employer has been registered.

**ii) to guarantee equal conditions for certain benefits in the receiving state**

In the international agreements concluded by Estonia in the field of social security the equal treatment provision has been established. Accordingly, the agreement subjects have the same rights and obligations as the citizens of another contracting party. Therefore, people who the agreement is applied to and who live on the territory of one contracting part, are enabled to receive the same pensions and/or benefits and/or allowances as for the citizens of the state pursuant to the legislation of this contracting party.

**iii) to export the social security system benefits (such as pension) of third-country nationals to another state**

All international agreements that Estonia has concluded with third countries regulate paying pensions to persons who have worked on the territory of the other contracting party and obtained the pension qualifying period there. All agreements also handle exporting pensions to another state. Exporting pensions means that the pension is continued to be paid if the person relocates from Estonia to the state of the other contracting party or vice versa. At the same time it is worth noting that Estonia does not export its national pension, while Russia does not export its social pension either. Therefore, if a person who receives a national pension in Estonia moves to another state, the payment of that national pension is terminated. The same logic applies to a social pension paid by Russia.

Upon paying the pensions, the pro-rata calculation principle is applied, meaning that both states only pay for the periods obtained on their own territory and the amount of pension shall be calculated proportionally to the pension qualifying period obtained in that state. This principle pervades all international agreements concluded by Estonia and handling social security. Therefore, a person could receive a pension simultaneously from several countries.

International agreements concluded with Russia, Ukraine, and Moldova also establish the calculation of an insurance period for the time worked in the territory of the former Union of Soviet Socialist Republics. This also follows the principle that the state on the territory of which the person worked pays pensions for the period. Therefore, Estonia pays pension for a period, the seniority in office of which was obtained in the ESSR.

**iv) to coordinate social security benefits between states**

As a foreign state pays pensions to personal accounts, the Social Insurance Board has no information on the pensions acquired from foreign states.

Bilateral international agreements are available on statistics chapter Table 4.

**5.3. The right of social security system to receive other benefit on the grounds of international agreements**

The social security agreement between the Republic of Estonia and Ukraine entered into force in 2012 handles more social benefits than merely pension. Besides paying the pension, the agreement also regulates compensating for damages for accident at work, occupational diseases, or death caused by them, unemployment benefit and unemployment insurance benefit, and family benefits (parental benefit, family benefits), and the payment of death grant.

Upon paying the previously mentioned benefits, the same principle applies as for paying pensions or the allowance or benefit is paid by this contracting party on whose territory the right to the benefit became eligible. Therefore, all allowances and benefits are paid according to the regulation of the contracting party where the right became eligible.

## 6. CASES

In order to resolve cases, the authors of the study contacted the agencies of four fields:

- The Ministry of Social Affairs (pays the person subsistence benefit and needs-based family benefit via local governments,
- the Social Insurance Board (pays family benefits and old-age pensions),
- the Estonian Unemployment Insurance Fund (benefits for incapacity for work and for medicinal products), and
- the Estonian Unemployment Insurance Fund (unemployment insurance benefits and unemployment benefits).

Migration-specific aspects have been consulted with the PBGB.

**Case-study 1:** Tho and Lien, a married couple holding Vietnamese citizenship, aged 28 and 30, moved to your (Member) State 10 years ago. They hold long-term residence permits. Tho has worked in a car manufacturing company for the last 8 years, paying obligatory insurance contributions throughout this time. Lien has worked as a chef in the restaurant of a large hotel, also paying obligatory insurance contributions, for the last 2 years. Tho and Lien are expecting the birth of their first child in 6 weeks' time. Last week, the car manufacturing company where Tho works announced that they were making him redundant. Faced with the loss of Tho's income at a time when Lien would need to take time off work, following the birth of their child, Tho decided to apply for unemployment benefits while Lien applied for maternity benefits.

As Tho and Lien are holding long-term residence permits they would not face losing the legal basis for staying in the country, in case they lose their jobs.

As both Tho and Lien have worked in Estonia and paid unemployment insurance contributions, then upon being laid off he has the right to register as unemployed and apply for unemployment insurance benefit. In addition, Tho's employer can apply for lay-off benefit for Tho. After the termination of unemployment insurance benefit, Tho can also apply for unemployment benefit.<sup>69</sup>

Lien has the right for 140 days of paid maternity leave. She must stay on maternity leave no later than 30 days before the due date. Lien has the right to use maternity leave until her child reaches the

<sup>69</sup>Reply from Unemployment Insurance Fund 7.11.2013

age of three and during that time she has health insurance (the state pays social tax for her). If Tho registers himself as an unemployed person, he will get health insurance and has the right for health insurance benefits in kind, i.e. health services and medicinal products.<sup>70</sup>

Lien shall be entitled to parental benefit after the child's birth. This benefit is based on the income of the previous calendar year, so Lien is entitled to it. She would also receive this benefit if she had not worked. Tho, the father of the child, is also entitled to this benefit (by one parent receive it at the time). The right to parental benefit does not occur from working, but by being a permanent Estonian resident. For this, Tho must submit to the Social Insurance Board evidence of both parents staying on parental leave or its termination. As parental benefit is a monthly benefit, the recipient of the benefit can be changed from the beginning of the calendar month.<sup>71</sup>

- In order to apply for unemployment insurance benefit, the person should refer to the suitable agency of the Unemployment Insurance Fund and fill in the applications for registering as unemployed and for unemployment insurance benefit.
- In order to apply for maternity benefit, the person has to refer to the regional office or customer service office of the Health Insurance Fund (operating all over Estonia).
- In order to receive parental benefit, the benefit applicant should submit to the Social Insurance Board an application and a personal identity document.

**Case study 2:** Jasmine is a single parent, aged 29, holding Filipino citizenship, who moved to your (Member) State 2 and a half years ago. She has a 2-year old child (also holding Filipino citizenship) that lives with her and another child aged five that lives in the Philippines with Jasmine's mother. She holds a temporary/salaried worker residence permit that has been renewed once. Jasmine has worked as a nurse in a residential day-care unit in your (Member) State for 2 and a half years. She sends a small amount of money every month to the Philippines to help support her daughter. Last month, Jasmine's employer announced significant cuts in staff salaries in response to budget reductions. Faced with a significantly reduced income, Jasmine has moved into a hostel as she can no longer afford to rent private accommodation. She has also been forced to halve the amount of money she sends to her family in the Philippines every month. She has decided to apply for family benefits and guaranteed minimum resources.

As Jasmine has temporary residence permit in Estonia, she is also entitled to apply for social benefits. Namely, pursuant to SWA<sup>72</sup> an alien living in Estonia with a residence permit is entitled to receive social services, social benefits, and other support. Jasmine and her child living in Estonia can receive subsistence benefit in case their income remains under the established income threshold after deducting the fixed dwelling costs. In 2013, the income threshold was EUR 76.7 a month for the first member of the family and EUR 61.36 a month<sup>73</sup> (80% of the income threshold of the first member of the family) for all subsequent members of the family. Regarding needs-based family

<sup>70</sup> Reply from Estonian Health Insurance Fund 21.01.2014

<sup>71</sup> Reply from the Ministry of Social Affairs 7.11.2013

<sup>72</sup> Social Welfare Act § 4 (1)2),

<sup>73</sup> In 2014, the income threshold increased to EUR 90 for the first member of the family and EUR 72 for the subsequent members of the family

benefit, Jasmine and her child are entitled to this benefit if the family's income remains below the relative poverty threshold as last published by Statistics Estonia. In 2013, this meant for Jasmine and her 2-year-old child that the family income should be below EUR 364 a month <sup>74</sup> in order to receive the benefit.

As Jasmine has at the moment a valid residence permit and her place of residence has been registered in the population register, she would be eligible for subsistence benefit in case of low income.

As Jasmine and her child have temporary residence permits that have been issued as a certain reason to enter a country (in this case, for the mother to work and for the child to settle with a close relative), the threat remains that if Jasmine loses her job, they would lose the legal basis for staying in the country and they would have to leave the country, without the right to export benefits to their home country. As to the child has been issued a residence permit to settle with a close relative (to settle with a parent), she's residence permit term is linked to the term of she's parent residence permit with whom she was settled. If the mother's temporary residence permit is revoked, the child's residence permit shall also be revoked and they have to leave the country.

There are three aspects to be followed for Jasmine:

- 1) the general principle of issuing a temporary residence permit is that the alien has on her own sufficient legal income which would enable an alien and the family members of an alien to achieve subsistence in Estonia. If the principle is not complied with, the alien's residence permit shall be revoked;
  - 2) the employer should pay her wages that fulfil the remuneration criterion established in Estonia. The employer is obliged to pay her a remuneration in the amount of at least equal to the annual average wage most recently published by Statistics Estonia and multiplied by coefficient 1.24. An alien's remuneration must enable the alien's subsistence in Estonia. It is also essential to note that upon changing the remuneration and the working time for a foreign employee, the employer must notify the PBGB. Upon failure to notify, the employer shall be punished within the procedure of misdemeanour. The remuneration criterion is a basis for acquiring a temporary residence permit; if the criterion is not fulfilled, the residence permit shall also be revoked;
  - 3) in addition, extending the residence permit for Jasmine's child may be refused if the close relative for the purposes of settling with whom the residence permit was issued fails to ensure, for no good reason, the subsistence of an alien in Estonia.<sup>75</sup>
- In order to apply for family benefits, she need to refer to a customer service of the Social Insurance Board and submit a standard application and the applicant's passport or identity card (ID card). The application can be submitted electronically.

<sup>74</sup>In 2014, the family income should be below EUR 388.7 in order to receive needs-based family benefit. Or Jasmine must have received subsistence benefit in the previous month

<sup>75</sup>Aliens Act § 156 (2)

- The rural municipality or city government assign and pay subsistence benefit. The subsistence benefit applicant submits an application by the 20th of the month at the latest to the rural municipality or city government of his or her permanent residence.

Case study 3: Senghor is a high-skilled worker from Senegal. He arrived in your (Member) State six years ago with a temporary residence permit arranged through the IT company that employed him. Senghor is single and does not have children, but has recently succeeded in bringing his elderly mother to the country on the basis of family reunification. Aged 80, his mother is entirely dependent on Senghor's income. Last week, Senghor suffered an accident at work that left him incapable of carrying out the work for which he was employed for a period of 3 years. He decided to apply for invalidity benefits, sickness benefits, family benefits, and benefits in respect of accidents at work and occupational diseases.

As Senghor has a temporary residence permit that has been issued for certain reason to enter a country (in this case for working), then when he loses his job, he would lose the legal basis for staying in the country and he have to leave the country, without the right to export benefits to his home country. As long he has a valid residence permit, he is entitled to receive benefits paid in Estonia.

As this is an accident at work, then pursuant to the Private International Law Act (PILA) the Estonian legislation shall apply to an employment relationship of an alien working in Estonia, in this case the Employment Contract Act. AA shall in this case remain the specific law, so primarily the Employment Contract Act should be followed<sup>76</sup>. In this case, the employer can cancel the employment contract with Senghor pursuant to the Employment Contract Act<sup>77</sup> if the employee:

- 1) has for a long time been unable to perform his or her duties due to his or her state of health which does not allow for the continuance of the employment relationship (decrease in capacity for work due to state of health). A decrease in capacity for work due to state of health is presumed if the employee's state of health does not allow for the performance of duties over four months;
- 2) for a long time been unable to perform his or her duties due to his or her insufficient work skills, non-suitability for the position or inadaptability, which does not allow for the continuance of the employment relationship (decrease in capacity for work).

Pursuant to (2) of the same paragraph, the employer shall offer other work to the employee, where possible. The employer shall offer other work to the employee, including organising, if necessary, the employee's in-service training, adapt the workplace or change the employee's working conditions if the changes do not cause disproportionately high costs for the employer and the offering of other work may, considering the circumstances, be reasonably expected. The objective of such an obligation is to prevent the cancelling of the employment relationship and allow the employee to continue working, thus ensuring his/her income.

Senghor will receive temporary incapacity for work benefit from the health insurance fund for a maximum of 182 consecutive days (240 in case of tuberculosis). Since it was an accident at work,

<sup>76</sup> Ramil Pärdis, <http://rup.ee/uudised/oigus/kas-ka-eestis-tootavale-valismaalasele-kohaldub-eesti-too-igus>

<sup>77</sup> Employment Contract Act § 88 (1)1) and (1)2)



the benefit is paid from the 2<sup>nd</sup> day of incapacity and with 100% rate. The benefit is calculated on the basis of his income during the previous calendar year.

If he will be permanently unable to work after that period, his health insurance will depend on whether he will start receiving an invalidity pension from the Social Insurance Board. If he receives an invalidity pension, he will be insured in the health insurance fund and will have the right for all the benefits that are foreseen for pensioners (health care services, medicinal products, compensation for dentures etc.). Senghor is entitled to apply for expert assessment for permanent incapacity for work, pension for incapacity for work, and in case a disability is detected, also social benefits, rehabilitation service for disabled people via the Social Insurance Board.

#### Taking care of an elderly mother

AA<sup>78</sup> establishes that if the residence permit has been issued to an adult child in order to settle with a parent who permanently resides in Estonia, to a parent or grandparent in order to settle with his or her adult child or grandchild who permanently resides in Estonia, to a ward in order to settle with the guardian who permanently resides in Estonia, the close relative for the purposes of settling with whom the residence permit is issued is required to cover the maintenance and treatment costs of an alien.

The elderly mother will only be eligible for health insurance on a voluntary basis (current monthly payment EUR 115) if she receives a pension from abroad. There is no possibility to get health insurance as a dependant family member, since for health insurance purposes only the following persons are considered as dependant family members:

- persons with up to five years left until attaining pensionable age who are maintained by their spouses who are insured persons
- insured person's dependent spouse who is raising at least one child under 8 years of age or at least one child of 8 years of age until the child completes year one at school or at least three children under 16 years of age.<sup>79</sup>

If Senghor cannot return to work and the employment relationship shall be terminated with him, both Senghor and his mother will lose the legal basis for staying in the country as pursuant to AA<sup>80</sup> a temporary residence permit that was issued to settle with a close relative shall be cancelled concurrently with the revocation of the residence permit of the close relative for the purposes of settling with whom the residence permit was issued.

If Senghor wants to continue working and he has a valid residence permit, he should refer to a local government to acquire help for his mother because many local governments provide care services and he should inquire what kind of care services or benefits he could acquire to care for his mother. The Estonian Unemployment Security Fund shall also compensate for the care service expenses if Senghor cannot participate in employment service or start working because he is caring for an elderly person. Care service expenses are compensated for each day participated in employment

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<sup>78</sup> Aliens Act § 152

<sup>79</sup> Reply from Estonian Health Insurance Fund 21.01.2014

<sup>80</sup> Aliens Act § 158 (2)

service or EUR 16 per each day worked in the first three months per one dependant. In case of a justified need (for instance, the dependant's special needs), the benefit may also be greater.<sup>81</sup>

- In order to apply for a benefit for incapacity for work, the person must refer to the regional office or customer service bureau of the Health Insurance Fund (operating all over Estonia).
- In order to apply for pension for incapacity for work, the person must refer to the Social Insurance Board and submit: a standard application; passport (an alien, with a valid residence permit) or identity document (ID card); document evidencing incapacity for work. In order to identify permanent incapacity for work, the person must fill in a standard application for expert assessment.

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<sup>81</sup>Estonian Unemployment Insurance Fund [www.tootukassa.ee](http://www.tootukassa.ee)

## 7. STATISTICS ON SOCIAL SECURITY PAYMENTS RELATED TO MIGRATION

Statistics have been acquired from the Ministry of Social Affairs, the Social Insurance Board, and the Estonian Unemployment Insurance Fund upon compiling this chapter.

### Pensions

As of 1 January 2014, 38,520 Russian citizens received old-age pension in Estonia, which is 13% of the total number of old-age pension recipients, Ukrainian citizens formed 0.5% of old-age pension recipients. The number of old-age pension recipients with stateless persons is 7% of the total number.

**Table 3. Old-age pension, national pension, and survivor's pension paid in Estonia by citizenship and gender, as of 01.01. 2014**

Citizenship	Old-age pension			National pension			Survivor's pension		
	F	M	Total	F	M	Total	F	M	Total
ARM					1	1			
AUT	1	1	2						
BEL	1		1						
BLR	337	237	574	16	2	18	2		2
BUL	3	3	6		1	1	1		1
CAN	1	2	3						
CHE		1	1						
CRO		1	1						
CZE	2	2	4						
DEN		2	2						
DEU	11	2	13					1	1
EGY		1	1						
ESP	1		1		2	2			
EST	157,480	80,120	237,600	1,513	2,908	4,421	4,039	3,553	7,592
FIN	205	168	373	4	6	10	4	10	14
FRA	2		2						
GBR	1	5	6						
GEO	5	4	9	8	7	15	1		1
GER	175	105	280	4	3	7	9	9	18
GHA				1		1			
GRE				1		1			
HUN	3		3						
IND					1	1			
IRL				1	1	2			
ISL					1	1			
ISR	4	5	9	2	2	4		1	1
ITA	1	2	3						
JOR					1	1			

KAZ	3	1	4	8	5	13			
LAT		1	1						
LIB	2		2						
LTU	357	305	662	6	5	11	4	9	13
LVA	683	918	1,601	25	12	37	15	12	27
MDA	2	9	11	7	2	9			
NED	1	3	4				1		1
NOR	1	6	7						
PAK				1	1	2			
PER		1	1						
POL	16	9	25		1	1			
REU		1	1						
ROM					2	2			
RUS	23,942	14,578	38,520	266	280	546	159	132	291
SLO		1	1						
SUD					1	1			
SWE	49	22	71		2	2			
SVK	1		1						
TKM				1		1			
TUR					1	1			
UKR	741	851	1,592	90	23	113	11	12	23
USA	7	6	13	1	1	2	1		1
UZB	2	2	4	2	2	4			
VIE					1	1			
XXX*	13,219	8,403	21,622	16	13	29	70	68	138
YUG		1	1	376	973	1,349			
Citizenship unspecified	382	335	717	1		1	3	5	8
Total	197,641	106,114	303,755	2,350	4,261	6,611	4,320	3,812	8,132

Source: Social Insurance Board \*Stateless persons

Table 4. Exported and disbursed pensions in 2013

Mostly, the old-age pensions of European Union citizens and Russian citizens were exported.

State	Number of persons once	Total amount
Russia	4,573	9,818,273
Latvia	3,211	6,002,252
Lithuania	956	1,760,733
Other EU citizens	6,668	15,266,098
Ukraine	964	2,053,443
Total	16,372	EUR 34,900,798

Source: Social Insurance Board

### Family benefits

As of 1 January 2014, 11,798 Russian citizens received family benefits, which are 4% of the total number of beneficiaries; Estonian citizens formed 88% and stateless persons 7% of the total number of beneficiaries. Child allowance is the most dominantly paid family benefit, 81.5% of all family benefits. However, one person may apply at the same time several family benefits.

Table 5. Family benefit recipients by citizenship, family benefit type, number of beneficiaries as of 01.01.2014

<b>Citizenship</b>	<b>Childbirth allowance</b>	<b>Child allowance</b>	<b>Single parent's allowance</b>	<b>Conscript's child allowance</b>	<b>Foster care allowance</b>	<b>Start in independent life allowance</b>	<b>Childcare allowance</b>	<b>Adoption allowance</b>	<b>Allowance for families with seven or more children</b>	<b>Total</b>
AFG		1								1
ARM		5								5
AZE		5					1			6
BLR	1	167	5		1		18			192
BUL		18					4			22
CAM		3								3
CAN		9					1			10
CHE		3					2			5
CHN		22					2			24
COL		5								5
CRO		1								1
CZE		2								2
DEN		9					2			11
ECU		2					2			4
EGY		1								1
ESP		7					3		2	12
EST	612	217,437	13,404	20	1,052	5	33,476	4	102	266,112

FIN	1	85	1	2	15			104
FRA		9			4			13
GBR		27			7			34
GEO		39			11		1	51
GER		50	1		7		2	60
GHA		1						1
HUN		11			2			13
INA		2						2
IND		13			3			16
IRQ		2						2
ISL		2						2
ISR		25			6		1	32
ITA		26	1		7		3	37
JOR		1						1
JPN		10			4			14
KAZ		31			3			34
KGZ		7			2			9
KOR		2						2
LTU	1	271	15		45			332
LVA	6	552	42		109		2	711
MDA		28			10			38
MEX		5			3			8
NED		9			2			11
NEP		1						1
NGR					1			1
NOR		7	1				1	9
PAK		3			1			4

PER		1							1
PHI		7				2			9
POL		33	1			8			42
ROM		12				1			13
RUS	35	9,510	946		152		1,148	7	11,798
SLO		2							2
SRI		2							2
SWE		26				1			27
SVK		3				2			5
TAN		3							3
THA		9				4			13
TRI		2							2
TUR		5				1			6
UKR	4	741	35		9		103	2	894
USA		38				6			44
UZB		15							15
VEN		1							1
VIE		1							1
XXX	42	16,721	2,193	4	210		1,814	18	21,002
Citizenship unspecified		11	1						12
<b>Total</b>	<b>702</b>	<b>246,059</b>	<b>16,646</b>	<b>24</b>	<b>1,426</b>	<b>5</b>	<b>36,843</b>	<b>4</b>	<b>301,850</b>

Source: Social Insurance Board

\*XXX – stateless persons

The top three subsistence benefit recipients by households and by citizenship are Estonian citizens, 72% of the total number, households with stateless persons form 19% of the total number, and Russian citizens form 8% of the total number of recipients.

Table 6. The number of subsistence benefit recipients by households and citizenship, 2010–2012

	Number of households receiving the benefit <sup>82</sup>	Number of households receiving the benefit		
		2010 quarters II–IV	2011	2012
State				
Estonia	16,375	17,330		15,446
Unspecified citizenship	4,446	4,647		4,177
<b>Third-country national:</b>				
Russia	1,878	1,992		1,787
Ukraine	94	100		96
Belarus	18	19		12
Kazakhstan	7	7		6
Armenia	6	7		7
Afghanistan	8	N/A		1
Azerbaijan	N/A	N/A		4
EU citizens:				
Latvia	76	101		106
Lithuania	36	38		25

<sup>82</sup>The Ministry of Social Affairs added an additional comment to the table: In terms of the number of families, the benefit applicant's citizenship has been followed. For instance, if in one month a woman with Estonian citizenship applies for subsistence benefit and in the second month her husband who is stateless person, this family is written down onto two lines. Moreover, persons can change their citizenship during a year. I.e. at the beginning of the year the person has stateless person, but in a few months he could already have Estonian or Russian citizenship. Therefore, even when he is written down on two separate lines, it is actually one person. On the "Total" line the households receiving benefits have been outlined once.



Finland	N/A	4	2
Poland	N/A	N/A	4
Other countries total:	27	33	21
<b>Total</b>	<b>22,790</b>	<b>24,114</b>	<b>21,585</b>

Source: Ministry of Social Affairs

### People registered as unemployed

According to the Estonian Unemployment Insurance Fund, the greatest change in the number of people registered as unemployed was in 2009, when compared to the 2008 year the number of people registered as unemployed increased by three times, from 56,000 persons to about 136,000 persons. The number of unemployed was highest in 2010, increasing when compared to 2008, divided as follows: The unemployment rate of Estonian citizens increased about three times, that of third-country nationals doubled, that of people who are stateless increased by 2.5 times, and that of EU citizens increased 2.5 times. In 2012, the situation was normalising and 102,550 people were registered as unemployed (still twice as much as in 2008), 75% of unemployed persons were Estonian citizens, 8.7% third-country nationals, 0.6% EU citizens, and 15% stateless persons, i.e. the number of unemployed stateless persons where still remained high.

Table 7. Number of people registered as unemployed in 2008–2012

<b>Year</b>	<b>Citizen of the Republic of Estonia</b>	<b>With the citizenship of Russian Federation</b>	<b>With the citizenship of an European Union Member State</b>	<b>With other citizenship</b>	<b>Stateless persons</b>	<b>TOTAL</b>
<b>2008</b>	39,507	5,687	287	478	9,846	55,805
<b>2009</b>	100,675	12,107	654	998	21,526	135,960
<b>2010</b>	115,875	13,580	773	1,166	24,424	155,818
<b>2011</b>	90,697	10,640	619	935	19,142	122,033
<b>2012</b>	76,696	8,968	598	891	15,397	102,550

Source: Estonian Unemployment Insurance Fund

Unemployment insurance benefit

As the number of unemployed people increased in the state suddenly, it was immediately reflected in the increase of unemployment insurance benefit recipients. A record number of unemployment insurance benefits was paid in 2009 to 55,332 persons, which is an almost tripled compared to the preceding year. In 2012, 82% of unemployment insurance benefit recipients were Estonian citizens, 7.3% were third-country nationals, 0.5% EU citizens, and 9% stateless persons.

Table 8. Number of unemployment insurance benefit recipients in Estonia, 2008–2012

<b>Year</b>	<b>Citizen of the Republic of Estonia</b>	<b>With the citizenship of Russian Federation</b>	<b>With the citizenship of EU Member State</b>	<b>With other citizenship</b>	<b>Stateless persons</b>	<b>TOTAL</b>
<b>2008</b>	11,750	1,818	43	148	2,049	15,808
<b>2009</b>	42,057	5,077	232	407	7,559	55,332
<b>2010</b>	25,885	2,626	133	188	3,798	32,630
<b>2011</b>	16,551	1,343	79	92	1,962	20,027
<b>2012</b>	16,321	1,470	94	142	1,887	19,914

Source: Estonian Unemployment Insurance Fund

Unemployment allowance

The sudden increase of unemployed person also significantly increased the number of unemployment allowance beneficiaries. A record number of unemployment allowances was paid in 2009 to 37,562 persons, which is an almost a doubled compared to the preceding year. In 2012, 78% of unemployment allowance beneficiaries were Estonian citizens, 7% were third-country nationals, 0.5% EU citizens, and 13.5% where stateless persons.

Table 9. Number of unemployment allowance beneficiaries in Estonia, 2008-2012

<b>Year</b>	<b>Citizen of the Republic of Estonia</b>	<b>With the citizenship of Russian Federation</b>	<b>With the citizenship of EU Member State</b>	<b>With other citizenship</b>	<b>Stateless persons</b>	<b>TOTAL</b>
<b>2008</b>	11,677	1,638	94	127	3,194	16,730
<b>2009</b>	28,085	3,004	174	265	6,034	37,562
<b>2010</b>	22,563	2,258	145	206	4,032	29,204
<b>2011</b>	17,025	1,482	120	142	2,932	21,701
<b>2012</b>	15,412	1,435	106	152	2,675	19,780

Source: Estonian Unemployment Insurance Fund

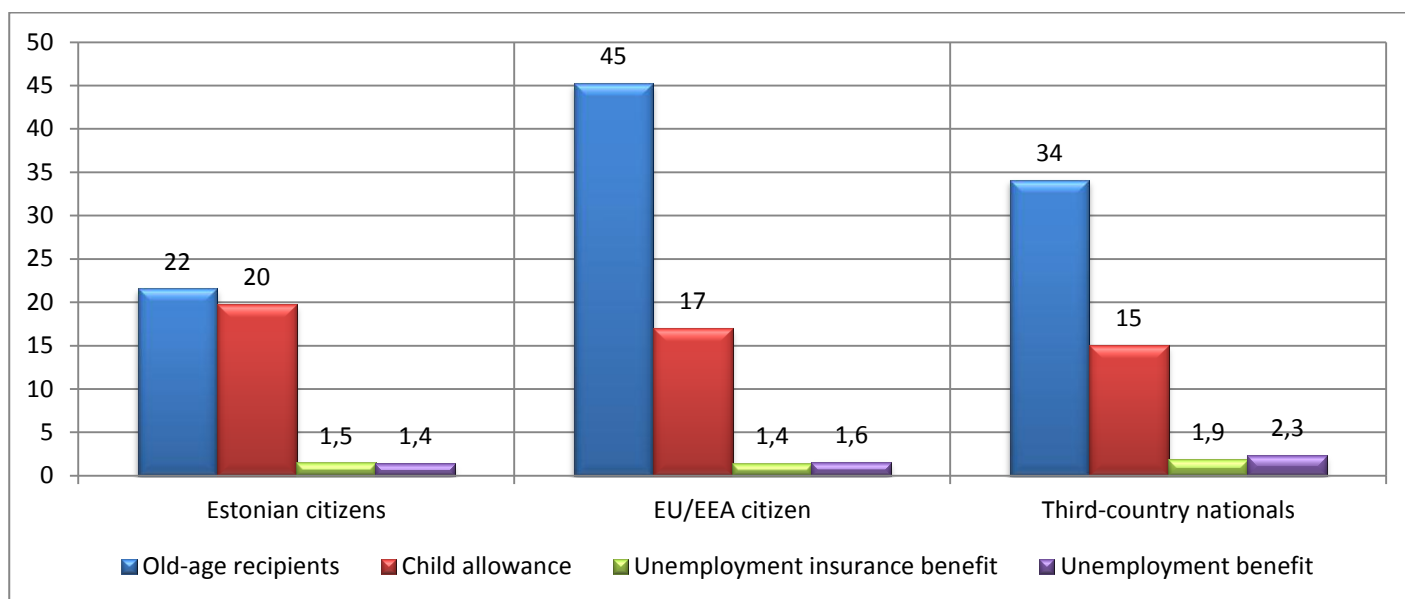


Figure 8. Percentage of old-age pension, child allowance, unemployment insurance security benefit, and unemployment benefit recipients<sup>83</sup>, 2012–2013

Source: Social Insurance Board, Estonian Unemployment Insurance Fund

There are no significant differences between beneficiaries, except for the number of old-age pension recipients. 45% of European Union citizens living in Estonia (mainly Latvian, Lithuanian, and Finnish citizens) receive an old-age pension, and 34% of third-country nationals living in Estonia receive an old-age pension (mainly citizens of Russia and Ukraine or persons with unspecified citizenship).<sup>84</sup>

Of residents living in Estonia, mostly Estonian citizens receive child allowance, 20%. There are no significant differences on the grounds of citizenship.<sup>85</sup>

Of persons registered as unemployed, mostly third-country nationals received unemployment insurance benefit and unemployment allowance, 1.9% receiving unemployment insurance benefit and 2.3% unemployment allowance, respectively<sup>86</sup>. These percentages reflect the general rate of unemployment in the society, which is highest among third-country nationals, 18.4%.

### 7.1. Statistics about the employment of third-country nationals in Estonia

As of 31 December 2011 (according to the census), the number of population 15–74 years of age in Estonia was 988,391 persons, of which Estonian citizens constituted 83.6%, EU citizens 0.6%, and third-country nationals 7.8%, and stateless persons 8% of the age group. 558,914 people were employed, which is 56.5% of the total of the age group (of which 0.5% were EU citizens, 6.3% third-country nationals, and 7.3% stateless persons) and 68,920 unemployed persons, i.e. 7% of the total number of residents in this age group (of which 0.5% are EU citizens, 10.7% third-country

<sup>83</sup> For the sake of best comparability, the numbers are based on the number of people receiving old-age pension (paid on the basis of the definition of age), child allowance from family benefits (the most general family benefit in Estonia), unemployment insurance benefit and unemployment benefit from unemployment allowances (if benefits are entailed with registering as unemployed).

<sup>84</sup> Data based on Table 3

<sup>85</sup> Data based on Table 5

<sup>86</sup> Data based on Tables 8, 9

nationals, and 15.2% stateless persons). 343,868 person or 34.8% of the people in this age group were economically inactive (of which 0.6% were EU citizens, 9.8% third-country nationals, and 7.5% stateless persons).

Table 10. Estonian population aged 15–74 by citizenship and labour status, as of 31.12.2011

Age 15–74	Total	Employed	Unemployed	Economically inactive	Labour status unknown
Estonian citizen	826,153	479,565	50,677	282,389	13,522
EU citizen (except Estonia)	5,753	3,148	355	2,019	231
Russia	70,449	31,560	6,753	31,118	1,018
Unspecified	78,835	40,951	10,524	25,735	1,625
Ukraine	4,082	2,181	345	1,500	56
Belarus	1,200	563	107	513	17
United States of America	246	158	10	74	4
Georgia	149	52	19	60	18
Armenia	143	75	26	36	6
Azerbaijan	139	73	9	52	5
India	87	49	3	24	11
Republic of Moldova	85	51	5	25	4
Israel	73	45	6	18	4
Turkey	68	36	9	16	7
Kazakhstan	77	40	8	27	2
Canada	34	20	3	9	2
Egypt	32	14	14	3	1
Japan	30	19	0	11	0
Switzerland	21	16	0	5	0
Mexico	16	8	0	7	1
Nigeria	13	4	4	5	0
Philippines	12	6	0	6	0
Thailand	12	6	0	3	3
Bangladesh	10	5	0	4	1
South Africa	10	5	0	5	0
Republic of Korea	9	3	0	6	0
Serbia (as of 17.02.2008)	8	3	0	5	0
Chile	4	4	0	0	0
Sri Lanka	4	4	0	0	0
Other third-country national*	459	247	41	143	28
Citizenship unknown	178	3	2	50	123
Total	988,391	558,914	68,920	343,868	16,689

Source: Statistics Estonia; \*For these citizens, the table has “1” or “2” in some cells or the information is not published.

When observing the primary source of subsistence of the Estonian population, it is strongly highlighted that 58.1% rely on maintaining another person, pension, benefits, etc., and only 42% are earning income<sup>87</sup>.

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<sup>87</sup> Statistics Estonia E.-M. Tiit Estonian Population According to PHC Results of 2011

## 8. CONCLUSIONS

The objective of the study is to map national policies and administrative practices that outline third-country nationals' rights to access the national social security system. Also, to give an overview of support and benefits that extend to third-country nationals and differences with benefits for own country nationals.

The Estonian social security system is based on the **principle of solidarity**, i.e. all the benefits extend to all the permanent residents of Estonia – Estonian citizens, third-country nationals staying in Estonia with a temporary or long-term residence permit and foreigners with the right of residence. Therefore, all third-country nationals who live in Estonia and have at least a temporary residence permit are entitled to make use of the Estonian social security system. **The Estonian social security system is not citizenship-based, actual and permanent and lawful living in the country is essential.**

Although third-country nationals are entitled to the Estonian social security system, they have **no automatic access to health insurance**. A third-country national shall acquire Estonian health insurance if he/she works here, i.e., social tax is being paid for him/her, or if he/she is a person equalised with insured persons under the Health Insurance Act (e.g. children, students, pregnant women) or if he/she concludes a voluntary insurance contract or a private insurance policy with the Estonian Health Insurance Fund or is a subject of an international agreement. Pursuant to the Aliens Act, the pre-requisite for applying for a temporary residence permit is that the alien has concluded a health insurance policy upon entering the country that would guarantee paying the medical treatment expenses resulting from his/her illness or injury to the same extent as for a person with health insurance during the residence permit validity period.

The general principle of migration policy, supported by the Aliens Act is that an alien living in Estonia with a temporary residence permit **would have sufficient legal income which would enable a third-country national and his/her family members to achieve subsistence in Estonia**. In case the person cannot meet the requirement, he/she shall lose the residence permit and must leave the country. A person staying in Estonia with a long-term residence permit no longer requires the follow-up inspection of sufficient legal income. Therefore, a situation, in which a third-country national has been forced to apply for subsistence benefit and/or needs-based family benefit may have an effect on him/her acquiring or extending the temporary residence permit and acquiring a long-term residence permit in Estonia. Also the issuing of a residence permit to his/her family member in Estonia if the family members are dependent on him/her. In addition, it has been regulated that an EU Blue Card shall be invalidated or refused to be extended also if the alien has been assigned subsistence benefit in the validity period of the EU Blue Card.

Therefore, upon paying social benefits and allowances the general rule is that **if the residence permit issued to a third-country national to live in Estonia is cancelled/expires, paying of benefits in Estonia is also cancelled.**

**The percentage of third-country nationals receiving benefit does not differ from Estonian citizens**, except for paying old-age pensions. 34% of third-country nationals living in Estonia receive an old-age pension, mainly citizens of Russia and Ukraine or persons with unspecified citizenship. This can also be explained with the age composition. Many persons who moved to

Estonia during the times of the Soviet Union have now reached retirement age. More unemployment benefits are also paid to third-country nationals than to Estonian citizens. While 1.9% of third country nationals received unemployment insurance benefit and 2.3% unemployment benefit, then among Estonian citizens these indicators were 1.5 and 1.4, respectively. These indicators are in compliance with the labour market situation, in which the unemployment rate is higher among third-country nationals than among Estonian and EU citizens.

The previous **statistics do not give a reason to think and neither the Ministry of Social Affairs nor any executive agencies in this field have detected a situation, in which third-country nationals would abuse the social security system in Estonia.** According to the statistics of the Police and Border Guard Board, an alien's temporary residence permit was invalidated due to the person not having a valid health insurance contract only in ten cases during the period of 2010–2013.

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## References

Ramil Pärdi, <http://rup.ee/uudised/oigus/kas-ka-eestis-tootavale-valismaalasele-kohaldub-eesti-too-igus>

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### Legislation and national programmes

- About the procedure between the Ministry of Social Affairs of the Republic of Estonia and the Ministry of Defence of the Russian Federation on paying for the medical servicing and prosthetics of non-working pensioners of Russian Federation armed forces
- Regulation no 883/2004 of the European Parliament and Council (EC), 29 April 2004, on coordinating social security systems
- Citizenship Act
- Health Insurance Act
- Income Tax Act
- Employment Contracts Act
- Regulation “List of data to be submitted and certificates to be annexed upon application for issue of long-term visa and extension of period of stay and requirements for submission thereof, and terms for issue of visa and refusal of issue of visa, extension of period of stay and refusal of extension of period of stay, premature termination of period of stay, and the times of annulment and revocation of the visa and the amount of funds sufficient for covering the expenses required for application for and acquisition of the visa and rate of insured amount of health insurance” of the Government of the Republic
- Aliens Act

### Websites

- Estonian Health Insurance Fund [www.haigekassa.ee](http://www.haigekassa.ee)
- Estonian Unemployment Insurance Fund [www.tootukassa.ee](http://www.tootukassa.ee)
- European Migration Network website regarding the glossary can be found at [http://ec.europa.eu/dgs/home-affairs/what-we-do/networks/european\\_migration\\_network/glossary/index\\_a\\_en.htm](http://ec.europa.eu/dgs/home-affairs/what-we-do/networks/european_migration_network/glossary/index_a_en.htm)
- Police and Border Guard Board [www.politsei.ee](http://www.politsei.ee)
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- Statistics Estonia [www.stat.ee](http://www.stat.ee)
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### Replies from executive agencies

- Reply from the Estonian Health Insurance Fund 21.01.2014
- Reply from the Estonian Unemployment Insurance Fund 07.11.2013
- Comment from the Police and Border Guard Board 31.01.2014

- Reply from the Social Insurance Board 7.11.2013
- Reply from the Ministry of Social Affairs 05.11.2013
- Phone conversation with the Estonian Unemployment Insurance Fund, the Estonian Health Insurance Fund, and the Social Insurance Board on 15.01.2014