

Living and Working Conditions in Estonia

Tallinn 2008





Photo: Pille-Riin Pregel

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Estonia in general

Capital: Tallinn
Population: 1 342 000 (01.01.2007)
National holiday: 24 February (Independence Day)
Head of state: President of the Republic – Toomas Hendrik Ilves
Official language: Estonian
Political regime: Parliamentary Republic
Area: 45,227 km²
Constitution: adopted on 28 June 1992 (4.)
Currency: Estonian kroon (EEK)
(1 kroon = 100 cents); 1 EUR = 15.6466 EEK
Estonia is surrounded by blue sea on two sides.

Hundreds of small lakes, buried deep inside the forests, make Estonian nature mystical to all who visit this beautiful place with as many as 1,520 islands in the Baltic Sea (our land frontier is 633 km long).

Estonian nature is closely connected with legends. Our land consists mainly of plains where patient peasants have peacefully tilled the land for centuries, fought with stones that in our writers' novels seem to "grow" out of the earth. Even our mineral resources are ordinary: oil shale, limestone, phosphate rock, clay, calcareous stone, sand, dolomite, arable land and sea mud.

Climate

Estonian climate is transitional from maritime to continental. The main factors shaping the Estonian climate are inflow of solar radiation and atmospheric processes above the northern part of the Atlantic Ocean. The amount of solar radiation in Estonia varies greatly during the year – the length of summer days is three times of that of winter days, 18 and 6 hours respectively. Air temperature corresponding to geographical latitudes is somewhat lower than the world's average in Estonia during summer, but significantly higher in winter. The coldest month is February (average air temperature -5.2 °C), but the biggest contrasts occur in January (-20 °C in Vilsandi, -7.3 °C in Narva). The warmest month is July (+16.6 °C), when regional differences are quite small.



Photo: Raigo Rajala



Photo: Priit Simson



Photo: Joosep Martinson



Photo: Väino Silm

Finding work

The first sources of help in the process of finding work are the regional departments of the Labour Market Board (hereinafter referred to as the LBM), whose contact information is listed at www.tta.ee. Employers inform the regional departments of the LBM about vacant positions and departments are responsible for finding suitable employees for the employer; vacancies can also be found from a state portal www.amet.ee. LBM's Departments of Tallinn and Harju County, Tartu County, Ida-Viru County and Pärnu County employ EURES advisers (contact information is available on EURES Estonia website at www.eures.ee), who provide information for foreigners regarding vacant positions in Estonia as well as Estonia's living and working conditions. They also provide information for employers on how to find suitable employees from other EU/EEA countries. There are a lot of job offers also in various daily newspapers and larger employment mediation websites at www.cv.ee, www.cvkeskus.ee, www.hyppelaud.ee. Many Estonian employers take part in career



fairs with the purpose of finding employees. The most important career fairs are "Teeviit", which takes place in Tallinn in every December, and "Intellektika", held in Tartu in February. Additional information on the fairs is available on the Internet. To apply for a job you must submit your CV with a cover letter to the employer.

CV

CV is printed on a white paper of A4 format, on one side of the paper with font size 12. The CV format comprises the following elements: first name and surname; personal identification code; place of birth; nationality; address, must be submitted according to the standard (street, house, apartment, postal code, settlement, county); telephone number, either for home or work; marital status: single, married; education, submitted starting from the latest acquired education and moving back towards secondary education, providing the period of studying, name of school, studied specialty, acquired qualification; continuing education: only those

shall be listed that are relevant regarding the offered position; professional experience, submitted starting from the last job (name of organisation, own area of activity, professional status and its sphere of responsibility within said organisation); language skills: skills of mother tongue provided first, followed by foreign languages in the order of proficiency with the level of proficiency in foreign language; hobbies: activities a person is good at on a professional level and in which he engages in his spare time; recommendations: not obligatory but may raise the applicant's "price"; salary request: provided when required in the advertisement.

Cover letter

Cover letter should contain answers to the following questions: What are your goals regarding your new job? Which 3 to 5 of your virtues can you point out to your future employer? How do you plan to make use of your professional experience regarding the offered position? Why do you want to work for this company? Why are you the best applicant for the respective position? Where did you get information on the vacant position?



Photo: Marko Mumi

Job interview

You will make a good impression to the employer when you know the background of the company you wish to work for. The more you know about the company and the position, the better are your chances to get the job. Be prepared to answer the questions asked during the interview and think of questions you would like to ask the employer. Prior to going to the interview prepare the necessary documents. Bring along your CV, information on the company you think you may need; if the recommendations are on a different paper than the CV, bring that as well. Sometimes the applicant is asked to take a general knowledge test or a professional aptitude test in order to ascertain your suitability for the respective position. After having taken the test you may be asked to come in for an additional interview to ascertain your suitability for the position. In the case of a positive response, the applicant is usually informed of the results by telephone and is asked to commence work. The applicant is notified of the negative response in a written form, either by e-mail or regular mail.



Photo: Raimo Volmar



Photo: Ardo Kaljuvee



Photo: Annika Haas



Photo: Prit Simson

Settling in Estonia

Finding a place of residence

In Estonia it is possible to buy or rent an apartment or a house. Rented apartments can be either furnished or unfurnished. Apartments can be rented directly from the owner or through real estate companies. It is also possible to use the help of your friends and acquaintances to find a place of residence. Real estate prices are the highest in Harju County (Tallinn). Purchase prices of apartments

begin from 800,000 kroons to 5 million kroons. Purchase prices of houses begin from 2.5 million kroons. Rent prices begin from 3,000 kroons a month, plus all utility bills. Information on finding a place of residence can also be found in the real estate sections of newspapers and on the real estate websites at www.kv.ee and www.city24.ee



Photo: Marko Mumm



Photo: Rauno Volmar



Photo: Marko Mumm



Photo: Pärtel Jämsen

Registration and residence permits

Legal basis for living in Estonia of the citizen of the European Union (hereinafter referred to as the EU) and his family member is the right of residence. EU citizen's right of residence in Estonia can either be temporary or permanent. Right for a permanent right of residence usually forms after having lived in Estonia for five years under a temporary right of residence. To acquire temporary right of residence, an EU citizen must register his place of residence in the local

government authority of his residence not later than three months after the date of entry into Estonia. Within one month after the acquisition of temporary right of residence, the EU citizen must make a personal visit to the Service Bureau of Citizenship and Migration Board to apply for an identity card certifying the temporary right of residence; additional information is available on the website of Citizenship and Migration Board at www.mig.ee.



Photo: Tanel Lepp



Photo: Rauno Volmar



Photo: Tanel Lepp



Photo: Anti Rook

Guidelines to observe before and after the arrival to Estonia

- Prior to entry into Estonia check everything related to the right of residence in Estonia from the website of Citizenship and Migration Board at www.mig.ee.
- Contact the counsellors of EURES Estonia to receive detailed information regarding the living and working conditions in Estonia or get the information from www.eures.ee.
- Prior to entry into Estonia find a place of residence.
- From Social Insurance Board (www.ensib.ee) ask for your rights relating to social security.
- Get full insurance, including accident insurance and sickness insurance. If you travelled to Estonia and you possess health insurance of your home country, apply for the European health insurance card at the respective authority in your home country. This provides you with the right for needed medical care during your stay in Estonia.
- As an EU citizen, after your entry into Estonia, register your place of residence in the local government authority of your residence within three months and at a Service Bureau of Citizenship and Migration Board apply for an ID card certifying the temporary right of residence.
- When commencing work, conclude as elaborated contract of employment as possible and check all details.
- Never give your passport anyone, except for public authorities when they ask for it.
- If your documents have been stolen or got lost for some reason, immediately notify the police and the embassy of your country.



Photo: Toomas Volmer

Working conditions

Recognition of diplomas and certificates of competency

In Estonia, the ENIC/NARIC Centre deals with the assessment of foreign states' educational documents with the purpose of recognition;

this covers both academic recognition and professional recognition. Detailed information is available at: <http://www.socrates.ee/en/enicnaric.html>

Contract of employment

Generally, the employee in Estonia may be a person who is 18 years of age and of active legal capacity or of restricted legal capacity. In Estonia both a legal person, enterprise and a person registered as a self-employed person may act as an employer. A contract of employment regulated by the Employment Contracts Act is concluded with most

employees. Additional information on working conditions is available in the Labour Inspectorate and on their website at www.ti.ee.

If you are about to conclude a contract of employment with an employer, you must observe that the contract of employment provides the following information: data of the employee and employer (name, personal identification code, registration number, place of residence or seat); time of concluding the contract of employment and commencing work of the employee, in case of a fixed-term contract of employment the contract's duration and basis, official or professional title or qualification requirements and description of duties, work place or area; wage conditions, standard for working time, duration of the employee's annual and additional holiday as well as basis for granting additional holiday, terms for advance notices for the termination of the contract of employment or basis for the establishment of said terms, reference to whether the contract of employment is subject to a collective agreement.

The contract of employment is made in duplicate – one copy is given to the employee and the other to the employer. Only for the performance of work whose duration does not exceed two weeks can a contract of employment be concluded orally. The contract of employment with the employer or the employer's authorised representative will be concluded by every employee personally, including minors. The contract of employment shall be deemed to be concluded after the parties have signed the contract or the employee has given a permission to work.





Activity as a self-employed person

In Estonia, any person can be self-employed who provides goods or services for charge under his own name and the sale of goods or provision of services is his permanent activity. In order to begin his activity as a self-employed person, one must register in the Tax and Customs Board's Regional Tax Centre as a self-employed person. When the self-employed person has registered himself as a person liable to value added tax in the Tax and Customs Board, he is also liable to register in the commercial register. Additional information on operating as a self-employed person is available in Enterprise Estonia and on their website at www.eas.ee. You will also find information in Estonian Business Information Gateway (www.aktiva.ee) and the Tax and Customs Board (www.emta.ee).

Wages

In Estonia, minimum wage is established with the Regulation of the Government of the Republic and as of 01.01.08 the minimum hourly wage is 27 kroons (1,73 Euro) and minimum monthly wage 4350 kroons (278 Euro). Wages lower than the minimum wage are not allowed in Estonia. Upon commencing work, gross wages and conditions for wage increase are agreed upon with the direct employer. Usually, the basic wages are agreed upon and in some companies performance pay is also paid according to work results. Wages are generally paid once a month and are usually transferred to your bank account. Taxes shall be deducted from your wages. Additional information on the size of wages is available in Statistics Estonia (www.stat.ee), information on the payment of wages is available in the Labour Inspectorate (www.ti.ee), information on taxes deducted from wages in the Tax and Customs Board (www.emta.ee).



Working time

In Estonia the employee's general standard working time is 8 hours a day, i.e. 40 hours a week. Saturday and Sunday are general rest days.

Holiday and national holidays

Annual holiday, including extended holiday, additional holiday as well as leave for parents and holiday without pay is granted according to the nature and conditions of work. Annual and additional holiday as well as additional child care leave are granted on the basis of the contract of employment and if you are a public servant, on the basis of working years. Duration of annual holiday is generally 28 calendar days. For the time of annual and additional holiday



the employer shall pay the employee holiday pay on the basis of earned wages.

In Estonia, 24 February is a national holiday and it is a day of rest. Other rest days comprise 1 January – New Year's Day; Good Friday; Easter Sunday; 1 May – May Day; Pentecost; 23 June – Victory Day; 24 June – Midsummer Day; 20 August – Day of Restoration of Independence; 24 December – Christmas Eve; 25 December – Christmas Day; 26 December – Boxing Day.



Photo: Rauno Volmar

Living conditions

State portal of Estonia is available at www.riik.ee, tips for communicating with state authorities and practical information on the rights and obligations of people living in Estonia are available at www.eesti.ee. Statistical information on Estonian way of life is available on the website of Statistics Estonia at www.stat.ee.

Political, administrative and legal system

Estonia is an independent and sovereign democratic republic wherein the supreme power of state is vested in the people. All legislation is adopted pursuant to the Constitution and laws in compliance with it. Generally accepted principles and standards of international law are an integral part of Estonian legal system. Laws are passed by the Estonian Parliament – the Riigikogu, with the majority of votes in favour. The Head of State of Estonia is the President of the Republic, who is elected for five years. Executive power is vested in the Government of the Republic which comprises the Prime Minister and Ministers. Laws are proclaimed by the President of the Republic. All matters of local life are dealt with and organised by local government, rural municipalities and cities who operate independently pursuant to law. In Estonia justice is administered by the Court. Estonian court system comprises three levels, county courts and administrative courts which make up the court of first instance, circuit court which is the court of appeal. Circuit court revises by way of appeal proceedings the decisions of the court of first instance. The third level is the Supreme Court. The Supreme Court is the highest national judiciary. It revises judicial decisions by way of cassation proceedings. The Supreme Court is also the court of constitutional review. Everyone has the right to address the Chancellor of Justice upon the violation of his constitutional rights or freedom.



Photo: Priit Simson

Important telephone numbers

110 – short code for the Police

112 – Emergency call number

6399500 – in case of accident at sea

Income and taxes

Average monthly gross wages in 4th quarter 2007 were 12 270 (kroons) - the wages are the highest in the financial intermediation sector and the lowest in the field of fishing industries and hotels and restaurants.

Estonian tax system is made up of state taxes established taxation law and local taxes established pursuant to law by the Council of Rural Municipality or City Council in their administrative territory. Social tax, income tax, unemployment insurance premium and, for certain people, contribution to mandatory funded pension are deducted from wages. In 2008, income tax is 21 %, income tax-free minimum is 2 250 kroons per month, 27 000 kroons per year. In Estonia everyone is subject to single income tax, this means that tax is deducted from all taxation units under a uniform rate, irrespective of the amount of income. Social tax is paid by employers and self-employed persons on their business income and state for certain persons; tax rate



Photo: Priit Simson

is 33 %. Unemployment insurance is mandatory when working in Estonia; it is a mandatory insurance that guarantees the employees' benefits in case of becoming unemployed, collective redundancy and employer's insolvency. In 2008, employee's unemployment insurance premium is 0.6 % of wages and other remuneration. Tax rate for mandatory funded pension is 2 % of income liable to taxation. The tax is withheld by employers operating in Estonia. More detailed information is available at www.emta.ee.



Photo: Priit Simson



Photo: Marko Mumm



Photo: Marko Mumm



Photo: Vanni Sim

Subsistence expenses

Prices of food products vary a little by counties, average prices at the 2008:

milk 1 l 10,13 kroons – 0,64 Euro,
 potatoes 1 kg 8,37 kroons – 0,53 Euro,
 onion 1 kg 7,3 kroons – 0,46 Euro,
 pork 1 kg 77.91 kroons – 4.98 Euro,
 beef 1 kg 97.69 kroons – 6.24 Euro,
 mutton 1 kg 115 kroons – 7.3 Euro,
 table chicken 1 kg 50,58 kroons – 3,24 Euro,
 eggs 1 pc 2,11 kroons – 0.12 Euro,
 trout 1 kg 95,58 kroons – 611 Euro,
 bread 1 kg 23,79 kroons – 1,52 Euro,
 white bread 1 kg 24,56 kroons – 1,57 Euro,
 cigarettes 25 kroons – 1,6 Euro,
 beer 10 kroons – 0,7 Euro,
 petroleum 16,25 kroons – 1,03 Euro.



Photo: Pille-Riin Pregel



Photo: Marko Mumm



Photo: Pille-Riin Pregel



Photo: Marko Mumm

Healthcare

As a rule, a person must have insurance cover to receive medical care in Estonia.

Estonia has a system of family physicians, which means that in case of illness family physician is your first contact person. Family physician provides general medical care and gives advice on the preventive actions regarding illnesses, injuries or intoxications. If necessary, the family physician shall refer you to a medical specialist for a consultation or to a hospital. In order to be register in the practice list of a family physician you need to submit a written application to the family

physician. Information on family physicians is available in counties' social and health care institutions, regional departments of health insurance fund and the website of Estonian Health Insurance Fund at www.haigekassa.ee. Emergency medical staff (emergency call number 112) provide primary medical care to all people in the territory of the Republic of Estonia, irrespective of their nation and nationality. In the case of health problems you may also use the national toll-free counselling number of family physicians, 1220.



Photo: Pille Kõrre-Pregel



Photo: Erika Tamm

Education system

Estonian education system consists of four levels: pre-school education, basic education, secondary education, higher education.

A child shall attend school if he or she has attained 7 years of ages by 1 October of the year in question. Studying is compulsory until the student has acquired basic education or attained 17 years of age. Children of citizens of foreign states and of stateless persons who reside in Estonia, except children of diplomats of foreign states, are also subject to the obligation to attend school.

In most of Estonian basic schools and upper secondary schools education is provided in Estonian, but in larger cities there are also basic schools and upper secondary schools whose language of instruction is Russian, and international schools whose language of instruction is English. In universities, institutions of professional higher education and vocational educational institutions education is generally provided in Estonian. But there are universities whose language of instruction is English.

In Estonia basic education is provided by basic schools which are generally combined with upper secondary schools. Basic school is a school that provides the students with an opportunity to acquire basic education. Basic school has 9 classes. Estonian secondary education is divided into general secondary education and vocational secondary education. General secondary education is provided by upper secondary schools. Vocational secondary education is acquired on the basis of basic education or general secondary education,

which creates prerequisites and gives a right to commence work in an acquired professional specialty or continue studies to acquire higher education.

Estonian higher education consists of two levels: professional higher education and academic education. In Estonia professional higher education is provided by institutions of professional higher education and academic education by universities. Higher education is provided by state universities and institutions of professional higher education as well as by private institutions of higher education and universities. Generally, studying at state institution of professional higher education or university is free of charge, but fee-charging at private universities and institutions of higher education.

Additional information on Estonian education system is available in the Ministry of Education and Research, www.hm.ee and Estonian Information System for Education at <http://ehis.hm.ee>.





Photo: Denis Georgievski

Private life (birth, marriage, death)

In Estonia, a person becomes of age to marry when he or she turns 18. A contract of marriage can be concluded between a man and a woman. In order to get married you must submit an application for marriage, to do that both prospective spouses must come to the Vital Statistics Office.

If you are a citizen of a foreign state and you do not have Estonian residence permit, you have to submit a certificate issued in the country of your residence verifying the absence of hindrances to contraction of marriage. Said certificate must either be legalised or certified by Apostil. If you as a foreigner hold a valid Estonian residence permit you do not have to provide any additional documents. All documents in foreign languages must be translated into Estonian and the translation must be notarised. Additional information on the legalisation of documents



Photo: Rauno Velmur

and certification by Apostil is available in the Ministry of Foreign Affairs, www.vm.ee.

Birth is registered in the Vital Statistics Office by the parents' place of residence.

Death is registered in the Vital Statistics Office by the last place of residence or place of death of the deceased. On the basis of the fact of the certification of death and the judgment of the declaration of death, the Vital Statistics Office prepares a death registration by the location of the court.

Additional information on marriage, divorce, registration of birth and death is available in local Vital Statistics Offices and local governments.

Social and other insurances

Estonian social insurance system

Emergency social assistance is organised by local government. If a citizen of an EU Member State works in Estonia and social tax is paid for him, he is entitled to all benefits of the social insurance system equally with Estonian citizens. Estonian social insurance system comprises pensions, family allowances, health insurance, unemployment insurance, benefits for disabled persons, benefits for repressed persons, funeral benefits, etc.



Health insurance

In Estonia, health insurance is mandatory. Pursuant to law, employers are liable to pay social tax for employees, and that is the source of income for health insurance. Individuals engaging in enterprise must pay social tax from their income.

If you are a citizen of a EU or EEA state or Switzerland and wish to receive medical care in Estonia, you have to carry European health insurance card or its replacement certificate, which shows the time period for what you are insured and what you are entitled to. Estonian medical institutions provide medical care to people from foreign states under same conditions and procedure as to people insured in the Estonian Health Insurance Fund.

In Estonia it is also possible to conclude an optional health insurance, on the basis of which you will be treated equally to an insured person. To conclude the optional health insurance you must turn to the customer service of the Estonian Health Insurance Fund's regional department. The duration of the contract is a minimum of one year and insurance premiums must be paid by three calendar months. Dental care services in Estonia are generally free-charging. Additional information is available at www.haigekassa.ee

Family allowances

There are eleven types of family allowances in Estonia: childbirth allowance; adoption allowance; child allowance, this is a monthly allowance usually paid since the birth of the child until he or she turns 16; child care allowance; single parent's child allowance; conscript's child allowance; school allowance, paid to every child receiving child allowance at the start of every school year; foster care allowance; start in independent life allowance for children from children's homes; allowance for families for three or more children and families raising triplets; allowance for families with seven or more children.

To receive family allowances you must turn to the local pension office or submit an application

electronically through the Citizen's Portal. Additional information on family allowances is available in the Social Insurance Board www.ensib.ee



Photo: Marko Mumm

Pensions

Pension scheme is divided into three pillars: First pillar is state pension.

State pension is divided into two: pensions dependent on work contribution (old-age pension, pension for incapacity for work and survivor's pension) and national pension. State pension is paid from the social tax deducted from wages. Employers pay 33 % of the employee's wages for social tax, 13 % of which goes to health insurance and 20 % to the pensions of current pensioners.

Second pillar or mandatory funded pension. Funded pension is based on the so-called 2+4 scheme, one party of which is the state and the other the person who shall be receiving the pension. To join the funded pension you must choose one of pension fund and 2 % of the monthly gross wages shall be transferred to your personal pension account, to which the state shall add 4 % of the social tax paid by the employer.

Third pillar or supplementary funded pension. Supplementary funded pension allows for an

efficient supplement to state pension in the retirement age.

Additional information on the pension scheme is available in Pension Boards working under the Social Insurance Board and on their website at www.ensib.ee. Information on the pension scheme is also available on the Pension Centre website.



Photo: Joosep Martinson



<http://www.eures.ee>

Photos: Pressifoto <http://www.pressifoto.ee/> and ViruPR <http://www.virupr.ee/>

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