

Employment protection in Estonia – 2008

| | |
|---|---|
| Item 1 Notification procedures in the case of individual dismissal of a workers with a regular contract | Employers and employees are required to give each other advance notice in writing of the termination of an employment contract. Termination of employment contracts with a pregnant woman, a person raising a child under 3 years of age, a minor or a representative of employees is only allowed in certain cases and permitted with the consent of the labour inspector. |
| Item 2 Delay involved before notice can start | Upon termination of employment contracts with a pregnant woman, a person raising a child under 3 years of age, a minor or a representative of employees, the labour inspector shall make a decision by which the consent of permission to end the contract is granted or refused and shall inform the employer of the decision within one week as of the submission of a written application. When the decision of labour inspectorate is not needed there is no specific requirement. |
| Item 3 Length of notice period at different tenure durations | An employee is required to notify an employee of termination of the employment contract in writing: (1) upon liquidation of the enterprise, agency or other organisation: 2 months; (2) upon layoff of employees: 2m<5y, 3m<10y, 4m<20y; (3) unsuitability of employee: 1 month. |
| Item 4 Severance pay at different tenure durations | Severance payment cases: (1) upon liquidation of the enterprise, layoff of employees or bankruptcy: 2m<5y, 3m<10y, 4m<20y. (2) unsuitability of employee: 1 month. |
| Item 5 Definition of unfair dismissal | Fair: decrease in work volume, reorganisation of production or work, liquidation or bankruptcy of business, unsuitability of employee for work, unsatisfactory performance, breach of duties, corruption, loss of trust, long term incapacity, employee has reached retirement age. In the case of redundancy, employer is required to offer another position to the employee if possible. The employer should also give preference when laying off workers to retaining employee representatives, workers with better results, those with occupational diseases or injuries sustained while working for the employer, workers with the longest tenure, with dependents or those engaging in education or training to increase their productivity. |
| Item 6 Length of trial period | A probationary period shall not exceed 4 months. |
| Item 7 Compensation following unfair dismissal | Compensation up to six months wages, subject to the circumstances of the employment contract and the nature of the offence upon termination of the employment contract. |
| Item 8 Reinstatement option for the employee following unfair dismissal | If termination of an employment contract is declared unlawful, an employee has the right to reclaim his or her former job or position. In such a case, a labour dispute resolution body shall make a decision on reinstatement of the employee in his or her former job or position. |
| Item 9 Maximum time period after dismissal notification up to which an unfair dismissal claim can be made | The limitation period for filing a claim to contest the justification for termination of an employment contract is one month.. |
| Item 10 Valid cases for use of fixed term contracts | There are some valid cases for use of fixed-term contracts, other than "objective" or "material" situation for example the director of a state museum, members of the teaching staff or research staff of a university, etc. |
| Item 11 Maximum number of successive FTCs (initial contract plus renewals and/or prolongations) | If an employment contract for completion of a specific task or for a temporary increase in work volume is entered into for the performance of the same work for more than two consecutive terms, each following employment contract entered into for a fixed term for the performance of the same work shall be deemed to be an employment contract entered into for an unspecified term. |
| Item 12 Maximum cumulated duration of successive FTCs | The law does not specify any limits to the number of fixed term contracts if separate valid objective reasons for each new contract cannot be given. A fixed term employment contract can be entered into not longer than 5 years. If an employment contract for completion of a specific task or for a temporary increase in work volume is entered into for the performance of the same work for more than two consecutive terms, each following employment contract entered into for a fixed term for the performance of the same work shall be deemed to be an employment contract entered into for an unspecified term. So maximum cumulated duration of successive fixed term contracts in some cases is 10 years (5+5 years). |
| Item 13 Types of work for which temporary work agency (TWA) employment is legal | TWA contracts are allowed in all types of work. |
| Item 14 Are there restrictions on the number of renewals and/or prolongations of TWA contracts? | No restrictions. |
| Item 15 Maximum cumulated duration of TWA contracts | No limits. |
| Item 16 Does the set-up of a TWA require authorisation or reporting obligations? | No. |
| Item 17 Do regulations ensure equal treatment of regular workers and agency workers at the user firm? | Yes. |

| | |
|--|--|
| Item 18 Definition of collective dismissal | Redundancy within 30 days if: (1) an employer who employed up to 19 employees terminates the employment contracts of at least 5 employees; (2) an employer who employs 20-99 employees terminates the employment contracts of at least 10 employees; (3) an employer who employs 100-299 employees terminates the employment contracts of at least 10% of employees; (4) an employer who employs at least 300 employees terminates the employment contracts of at least 30 employees. |
| Item 19 Additional notification requirements (compared to Item 1) in cases of collective dismissal | Employer has the obligation to inform and consult with representative of employees and apply for the approval of the labour inspectorate. |
| Item 20 Additional delays involved (compared to Item 2) | During the consultations, the representatives of the employees have the right to meet with representatives of the employer and submit, within 15 days, their written proposals and opinions with regard to the termination of employment contracts, unless a longer period is agreed upon. The employer shall commence the termination of employment contracts of the employees not earlier than thirty days after obtaining the approval of the labour inspectorate. The representative of employees has the right to extend the term up to thirty days if the problems related to the termination of employment contracts cannot be solve in time. |
| Item 21 Other special costs to employers in case of collective dismissals | No additional requirements |

This summary was produced by the OECD based on responses to a questionnaire distributed to OECD accession countries. It describes the situation current as at 1 January 2008 and is the basis for calculating the OECD employment protection indicators. To find out more about the methodology used to calculate the OECD employment protection indicators, see www.oecd.org/employment/protection.