

ESTONIA

Items	Regulations in force on 1 January 2013
1: Notification procedures in the case of individual dismissal of a worker with a regular contract	<p>An employment contract may be terminated by a declaration of termination made in a format which must be reproduced in writing. A declaration of termination made in breach of the formal requirement or a contingent declaration of termination is void. An employer shall justify termination. Before termination of the employment contract with the employees' representative the employer shall seek the opinion of the employees who elected the person to represent them or the trade union about the termination of the employment contract. The employer shall take the opinion of the employees into account to a reasonable extent. The employer shall justify disregard for the opinion of the employees.</p> <p>The employer must also give communication to the Unemployment Insurance Fund within 5 days of termination if the employee job tenure is at least 5 years (art. 100 Employment Contracts Act, ECA hereafter, and Art. 14.1 and 14.3 of the Unemployment Insurance Act).</p> <p>Calculation (for EPL indicators): average of more and less than 5-year tenure: $(1+2)/2=1.5$</p>
2: Delay involved before notice can start	<p>The term of advance notice begins to run on the day following the calendar day when the declaration of termination was delivered. Advance warning is required in the case of unsuitability.</p> <p>An employer may not terminate an employment contract with a pregnant woman or a woman who has the right to pregnancy and maternity leave due to lay-off, except upon cessation of the activities of the employer or declaration of the employer's bankruptcy if the activities of the employer cease or upon termination of bankruptcy proceedings, without declaring bankruptcy, by abatement.</p> <p>An employer may not terminate an employment contract with a pregnant woman or a woman who has the right to pregnancy and maternity leave arguing a decrease in the employee's capacity for work.</p> <p>The previous two sections shall be applied only if the employee has notified the employer of her pregnancy or of the right to pregnancy and maternity leave before receipt of a declaration of termination or within 14 calendar days thereafter.</p> <p>Calculation (for EPL indicators): 1 day for notice + 6/2 days for warning = 4 days</p>
3: Length of notice period at different tenure durations (a)	<p>An employer shall give an employee advance notice of termination if the employee's employment relationship with the employer has lasted:</p> <ol style="list-style-type: none"> 1) less than one year of employment – no less than 15 calendar days; 2) one to five years of employment – no less than 30 calendar days; 3) five to ten years of employment – no less than 60 calendar days; 4) ten and more years of employment – no less than 90 calendar days. <p>Calculation (for EPL indicators): 9 months tenure -15 calendar days, 4 years tenure 30 calendar days, 20 years tenure 90 calendar days.</p>
4: Severance pay at different tenure durations (a)	<p>Upon termination of an employment contract due to lay-off, an employer shall pay an employee compensation in the amount of one month's average wage of the employee.</p> <p>Also an insurance benefit shall be paid by the Estonian Unemployment Insurance Fund to an employee whose employment relationship with an employer or to an official whose employment in the service has lasted for:</p> <ol style="list-style-type: none"> 1) five to ten years - in the amount of one month's average salary or wage; 2) over ten years - in the amount of two months' average salary or wage. <p>Calculation (for EPL indicators): average of layoff and personal reasons: 9 months – 0.5 months; 4 years – 0.5 months; 20 years – 0.5 month</p>

5: Definition of unfair dismissal (b)	<p>Fair: An employer may extraordinarily terminate an employment contract with good reason arising from the employee as a result of which, upon respecting mutual interests, the continuation of the employment relationship cannot be expected, especially if the employee has:</p> <p>1) 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 continuation 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 continuation of the employment relationship (decrease in capacity for work); 3) in spite of a warning, disregarded the employer's reasonable instructions or breached his or her duties; 4) in spite of the employer's warning been at work in a state of intoxication; 5) committed a theft, fraud or another act bringing about the loss of the employer's trust in the employee; 6) brought about a third party's distrust in the employer; 7) wrongfully and to a significant extent damaged the employer's property or caused a threat of such damage; 8) violated the obligation of maintaining confidentiality or restriction of trade.</p> <p>Before termination of an employment contract, in particular on the basis specified in cases 1) and 2), the employer shall offer other work to the employee, where possible. The employer shall offer other work to the employee, including organise, 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. An employer may cancel an employment contract due to a breach of an employee's obligation or decrease in his or her capacity for work. An employer may also extraordinarily cancel an employment contract if the continuation of the employment relationship on the agreed conditions becomes impossible due to a decrease in the work volume or reorganisation of work or other cessation of work (lay-off).</p>
6: Length of trial period (c)	<p>A probationary period shall not exceed 4 months.</p> <p>In the case of the employment contract entered into for a specified term of up to eight months the probationary period may not be longer than half of the contract term.</p>
7: Compensation following unfair dismissal (d)	<p>Employer shall pay employee compensation in the amount of three months' average wages of the employee. In the case of an employee who is pregnant, who has the right to pregnancy and maternity leave or who has been elected employees' representative, the employer shall pay the employee compensation in the amount of six months' average wages of the employee. The court or labour dispute committee may change the amount of the compensation, considering the circumstances of the termination of the employment contract and the interests of both parties.</p>
8: Reinstatement option for the employee following unfair dismissal (b)	<p>Reinstatement is possible if both parties agree to that. If the employer is not agreeing to this, the reinstatement is possible if, at the time of the termination, the employee is pregnant or has the right to pregnancy or maternity leave or has been elected employees' representative, unless it is reasonably not possible considering mutual interests (Art. 107 ECA).</p>
9: Maximum time period after dismissal up to which an unfair dismissal claim can be made (e)	<p>An action with the court or an application filed with a labour dispute committee for establishment of nullity of termination shall be filed within 30 calendar days as of the receipt of the declaration of termination.</p>
10: Valid cases for use of standard fixed term contracts	<p>An employment contract may be entered into for a specified term of up to five years if it is justified by good reasons arising from the temporary fixed-term characteristics of the work, especially a temporary increase in work volume or performance of seasonal work.</p> <p>There are some additional valid cases for use of fixed-term contracts for example the director of a state museum, members of the teaching staff or research staff of a university, etc.</p>
11: Maximum number of successive standard FTCs (initial contract plus renewals and/or prolongations)	<p>If an employee and employer have on more than two consecutive occasions entered into an employment contract for a specified term for the performance of similar work or extended the contract entered into for a specified term more than once in five years, the employment relationship shall be deemed to have been entered into for an unspecified term from the start. Entry into employment contracts for a specified term shall be deemed consecutive if the time between the expiry of one employment contract and entry into the next employment contract does not exceed two months.</p>
12: Maximum cumulated duration of successive standard FTCs	<p>120 months</p>
13: Types of work for which temporary work agency (TWA) employment is legal	<p>If fixed-term duties are performed by way of temporary agency work, an employment contract may be entered into for a specified term also if it is justified by the temporary characteristics of the work in a user undertaking.</p>

14: Are there restrictions on the number of renewals and/or prolongations of TWA assignments? (f)	<p>If duties are performed by way of temporary agency work, the restriction on consecutive entry into or extension of an employment contract for a specified term mentioned in item 11 shall be applied to every user undertaking separately.</p>
15: Maximum cumulated duration of TWA assignments (f)	<p>The restriction on consecutive entry into or extension of an employment contract for a specified term mentioned in items 11 and 12 shall be applied to every user undertaking separately. By contrast, there is no limit on regulations on number and duration of the contracts between the TWA and the employee.</p>
16: Does the set-up of a TWA require authorisation or reporting obligations?	<p>Temporary agency work services may be provided by a legal person in private law who has been registered as an intermediary of temporary agency work in the register of economic activities.</p>
17: Do regulations ensure equal treatment of regular workers and agency workers at the user firm?	<p>There is no legislation stipulating equal treatment specifically for TWA workers. However, the Employment Contracts Act prohibits applying to employees who have fixed-term contracts less favourable conditions than those applied to regular workers, except when justified by objective reasons deriving from legislation or collective agreements.</p>
18: Definition of collective dismissal (b)	<p>Redundancy within 30 days if:</p> <ol style="list-style-type: none"> (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.
19: Additional notification requirements in cases of collective dismissal (g)	<p>Before an employer decides on collective termination he or she shall consult in good time the trustee / shop steward or, in his or her absence, employees with the goal of reaching an agreement on prevention of the planned terminations or reduction of the number thereof and mitigation of the consequences of the terminations, including re-employment assistance or re-training of the employees to be laid off. After consultations an employer shall submit in writing the information about collective terminations and consultations to the Estonian Unemployment Insurance Fund.</p> <p>Calculation (for EPL indicators): 2 minus the notification requirements required for individual dismissals (counted for 0.5 in Item 1)</p>
20: Additional delays involved in cases of collective dismissal (h)	<p>Collective termination of employment contracts enters into force upon the expiry of the term for advance notice of termination, but no sooner than 30 calendar days after the time when the Estonian Unemployment Insurance Fund received the information. Given average notice period this does not imply additional constraints. However, consultation with unions, for up to 15 days, must be undertaken before notifying the Estonian Unemployment Insurance Fund.</p> <p>The Estonian Unemployment Insurance Fund may extend the term up to 60 calendar days if it finds that it cannot resolve the employment problems relating to the collective termination within 30 calendar days.</p> <p>Calculation: 15 days for consultation + 30 for Fund notification minus average values reported in Items 2 (4 days) and 3 (1 month) = 11 days</p>
21: Other special costs to employers in case of collective dismissals (i)	<p>No additional requirements.</p>

Legend: d: days; w: weeks; m: months; y: years. For example "1m < 3y" means "1 month of notice (or severance) pay is required when length of service is below 3 years".

Notes:

- a) Three tenure durations (9 months, 4 years, 20 years). Case of a regular employee with tenure beyond any trial period, dismissed on personal grounds or economic redundancy, but without fault (where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment). Averages are taken where different situations apply – e.g. blue collar and white collar; dismissals for personal reasons and for redundancy.
- b) Based also on case law, if court practice tends to be more (or less) restrictive than what specified in legislation.
- c) Initial period within which regular contracts are not fully covered by employment protection provisions and unfair dismissal claims cannot usually be made.
- d) Typical compensation at 20 years of tenure, including back pay and other compensation (e.g. for future lost earnings in lieu of reinstatement or psychological injury), but excluding ordinary severance pay and pay in lieu of notice. Where relevant, calculations of scores to compute OECD EPL

indicators assume that the worker was 35 years old at the start of employment and that a court case takes 6 months on average. Description based also on case law.

e) Maximum time period after dismissal up to which an unfair dismissal claim can be made.

f) Description based on both regulations on number and duration of the contract(s) between the temporary work agency and the employee and regulations on the number and duration of the assignment(s) with the same user firm.

g) Notification requirements to works councils (or employee representatives), and to government authorities such as public employment offices. Only requirements on top of those requirements applying to individual redundancy dismissal count for the OECD EPL indicators (cf. Item 1).

h) Additional delays and notice periods in the case of collective dismissal (only delays on top of those required for individual dismissals – as reported in Items 2 and 3 – count for the OECD EPL indicators).

i) This refers to whether there are additional severance pay requirements and whether social compensation plans (detailing measures of reemployment, retraining, outplacement, etc.) are obligatory or common practice.