



ESPN Thematic Report on Access to social protection of people working as self-employed or on non-standard contracts

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Summary

About 90% of employed persons in Estonia are employees, and of employees 1% self-report that instead of employment by contract or in the civil service, they have non-standard contractual work, i.e. service contract. One tenth of employed persons self-report that they are self-employed. During the last decade, the estimated proportions have not changed, although as in other EU countries non-standard and flexible employment in its different forms has been extensively discussed in the public sphere.

Income distribution statistics point out that self-employed persons compared to other employed persons have smaller net incomes, and are more likely at risk of poverty and in material deprivation.

Analysing Estonian social protection system coverage across different types of employment, one should distinguish employees, including ones with an employment relationship or who are in the civil service, and self-employed persons, including persons who offer goods or services for charge in his or her own name, sole proprietors (i.e. a business that legally has no separate existence from its owner) and members of management boards with authorisation agreement. Generally speaking, all the employed persons have the same rights if they have paid social protection contributions regardless of their type of employment. Also, policy rules of considerable bulk on schemes do not relate to terms of employment or market income from the employment - these are solidarity schemes for all natural persons or residents.

However, the most crucial exception here is unemployment protection. Both members of management boards and sole proprietors are not required and could not voluntarily pay unemployment insurance benefit, and members of management boards regardless of their factual economic activity and formally active sole proprietors are not eligible for unemployment benefits and most of the labour market services.

The actual coverage of both employees and other employed persons might vary depending on economic activity and income. Contribution-based schemes often presume monthly payment of social tax, labour market activity tenure and are income or employment tested. These rules might preclude from social protection both part-time or fixed-term employees and other part-time or fixed-term employed persons, including self-employed persons. The statistical evidence is lacking as to whether self-employed persons compared to employees are more likely to be at risk.

There are four urgent issues to be addressed in the social protection for the self-employed and (non-)standard employment. Firstly, the policy rules that a member of a management or supervisory body of a legal entity could not be registered as unemployed is in conflict with the principle of equal treatment, freedom to conduct business and right of private property. However, amendment of the policy rules should not create perverse incentives to manage business risks via the social protection scheme.

Secondly, precarious employment puts employed persons at risk of falling through the social protection system. It might be worth considering changes in the policy rules that would not depend only on monthly income but also income over a longer period and the policy rules that would reward even temporary and part-time employment.

Thirdly, also tax avoidance and tax evasion influences coverage and take-up of social protection. The risk of poverty and social protection is not only dependent on policy rules but also on the willingness of self-employed persons to pay taxes and social protection contribution, and the government performance in making the employment rights and tax legislation effective.

Finally, considerable differences in taxation of labour and capital create perverse incentives to self-employment and to declare only capital income. The changes in policy rules could tackle and prevent issues related to tax avoidance and evasion and social protection actual coverage and adequacy.

1 Context: self-employment and non-standard work relationships in the national economy and labour market

1.1 The extent and the main trends in the incidence of self-employment and non-standard work relationships

According to the available statistics from the European statistical system, the share of self-employment is smaller in Estonia than in a number of other EU countries. The share of self-employed persons has been around 9% in Estonia (in 2015, the share of self-employed persons in EU-28 was 14%), and taking into account statistical estimates based on sample survey data the share has not changed since 2008 (see Table 1).

Table 1 Employment in Estonia by status, %, (From 16 to 64 years)

	2008	2009	2010	2011	2012	2013	2014	2015
Employed persons	100%	100%	100%	100%	100%	100%	100%	100%
Employees	92%	92%	92%	91%	91%	91%	91%	91%
Employed persons except employees	8%	8%	8%	9%	9%	9%	9%	9%
Self-employed persons	8%	8%	8%	8%	8%	9%	9%	9%
Self-employed persons with employees (employers)	3%	4%	4%	4%	4%	4%	3%	4%
Self-employed persons without employees (own-account workers)	4%	4%	5%	4%	5%	5%	5%	6%
Contributing family workers				0%	0%	0%	0%	

Source: Eurostat, table code: lfsa_egaps (authors' calculations)

The Estonian Labour Force Survey estimates indicate that the vast majority of employed persons have standard work relationships: 95% of employed persons self-report to have employment contracts. Only 1% of persons self-report to work in the civil service. Based on the survey, around 3% of employed persons self-report civil law contracts (i.e. persons who offer goods or services for charge in his or her own name) (see Table 2). However, the self-reported data might underestimate the prevalence of non-standard contractual work as presumably interviewed persons could also report that they are self-employed in this case (and vice versa).

Table 2 Non-standard work relationships based on contractual status, %, (From 16 to 64 years)

	2010	2011	2012	2013	2014
Employment contract	95%	95%	95%	95%	NA
Civil law contract	1%	2%	2%	1%	NA
Civil service	3%	3%	3%	3%	NA
Temporary Agency Work	0%	0%	0%	0%	NA

Source: Statistics Estonia, Estonian Labour Force Survey, authors' calculations

Compared to a number of EU countries, the share of non-standard work time regime is considerably smaller in Estonia. Only around 10% of employed persons self-report part-time employment (in EU-28 about 20%), and only about 3% of employed persons report temporary employment (in EU-28 about 14%).

Table 3 Part time employment and temporary employment, %, (From 16 to 64 years)

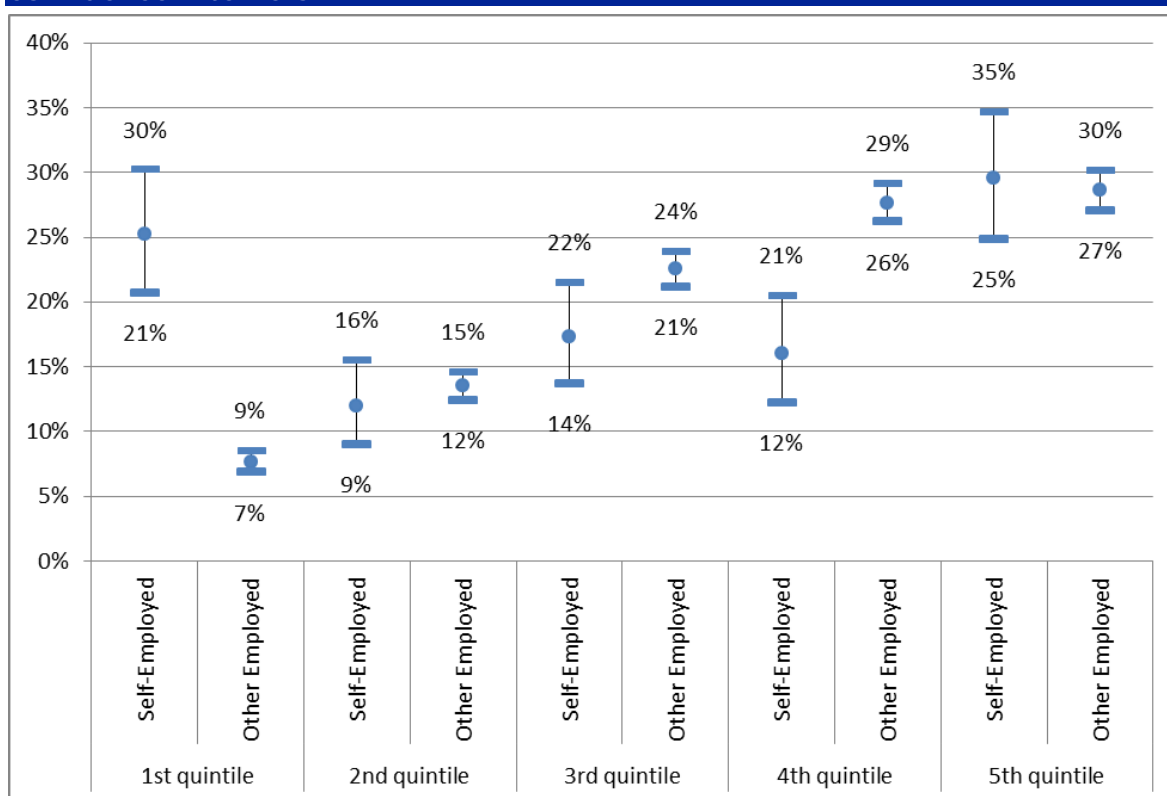
	2010	2011	2012	2013	2014
Part-time employment	9.8	9.8	9.8	9.8	9.8
Temporary employment	4.5	3.7	3.5	3.2	3.5

Source: Eurostat, table code: lfsa_eppgan and lfsa_eseqt, authors' calculations

1.2 Poverty and Material Deprivation

The available sample-survey data would allow some estimates of a self-employed person's risk of poverty; however, the minute share of non-standard contractual work would make income distribution estimates for this group not valid and reliable. The primary research based on administrative statistics does not currently exist.

According to Eurostat (table code ilc_di05) the median equalised net income of employees (from 16 to 64 years old) was EUR 10,191 and for employed persons except employees it was EUR 7,275 in 2015. Also, authors' calculations based on the Estonian Social Survey (i.e. EU-SILC in Estonia) indicate that the self-employed are more likely to be in the lowest income quintile than other employed persons (see also Figure 1).

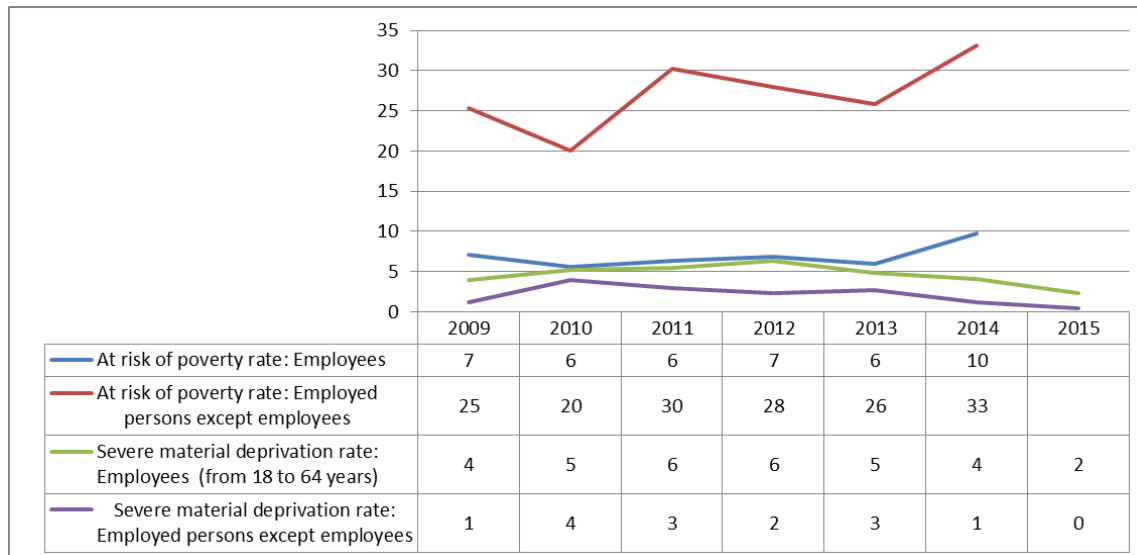
Figure 1 Income Quintiles Across Type of Employment in 2013, % with confidence intervals

Source: Statistics Estonia, Estonian Social Survey, authors' calculations

Notes: % with confidence intervals of a statistics- a range of values so defined that there is a probability that the value of a parameter lies within it.

According to Eurostat (table code ilc_li04) employees' at-risk-of-poverty rate has increased from 5.6% in 2010 to 7.8% in 2015 (in EU28 from 6.3% to 7.4%) and employed persons except employees' at-risk-of-poverty rate has increased from 20% in 2010 to 34% in 2015 (in EU-28 from 20.9% to 23.4%). Taking into account the survey sample methodology, the point estimates suggest that employees' at-risk-of-poverty rate has not likely changed statistically significantly but the at-risk-of poverty rate of employed persons except employees has increased significantly (see also Figure 2).

Figure 2 At risk of poverty rate (From 16 to 64 years) and severe material deprivation rate (From 16 to 64 years)

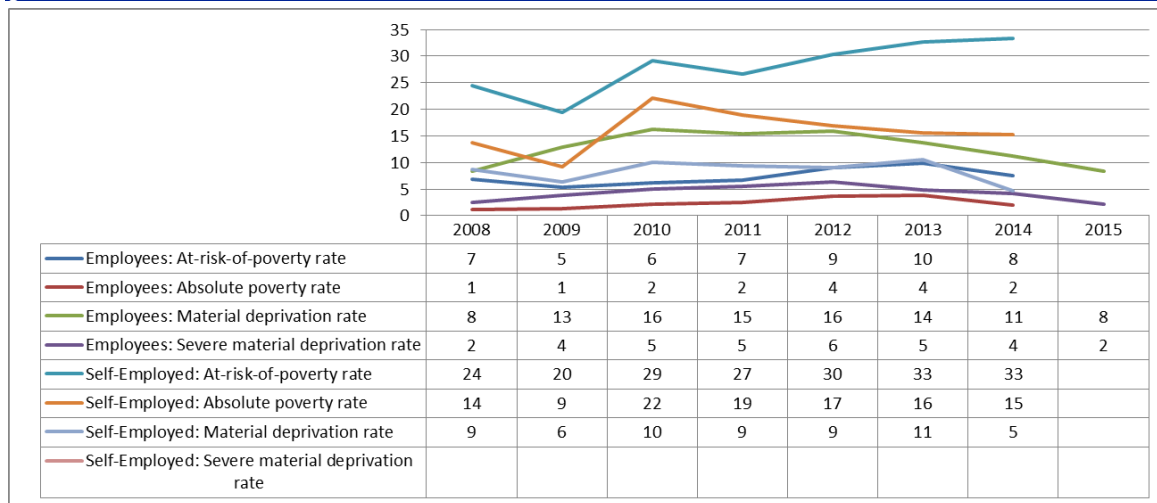


Source: Eurostat, table code: ilc_li04 and ilc_mddd12

Notes: At risk of poverty rate, cut-off point is 60% of median equivalised income after social transfers.

Severe material deprivation rate is defined as the enforced inability to pay for at least four of the following items: to pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or proteins regularly; to go on holiday; a television set; a washing machine; a car; a telephone.

Statistics Estonia has also estimated poverty and deprivation indicators based on the national Estonian Social Survey (part of EU-SILC). According to the estimates, the self-employed people are more likely at risk of poverty (both relative and absolute poverty), however, less likely in material deprivation. Also, the estimates indicate that the risk of poverty of self-employed has increased from 2009 (see Figure 3).

Figure 3 Poverty and Material Deprivation by Labour Status (From 16 to 64 years)

Source: Statistics Estonia, table code: HHS02

Notes: At-risk-of-poverty rate indicates the share of persons with equalised disposable income lower than the at-risk-of-poverty threshold. Absolute poverty rate indicates the share of persons with equalised disposable income lower than the absolute poverty threshold.

From 2012 onwards partially registry data. Change in data sources in 2012 should be taken into account when comparing previous years with the following years

Non-standard employment in forms of part-time employment and temporary employment could be related to precarious employment and income. The statistics indicates that in-work at-risk-of-poverty rate of the household (population aged 18 to 59 years) is higher in households with very low work intensity (defined as people of all ages (0–59) living in households where the members of working age worked less than 20 % of their total potential during the previous 12 months) (Eurostat, table ilc_iw03). Similarly, the in-work at-risk-of-poverty rate is higher (18% in 2015) for part-time employed than full-time employed persons (9% in 2015) (Eurostat, table ilc_iw07).

1.3 Policy Measures Extending Social Protection to Self-Employed and Non-Standard Workers

There are no particular policy measures aiming at extending social protection to self-employed and non-standard workers; however the social protection coverage is influenced by tackling bogus self-employment. The Estonian employment policy and social protection system and corresponding legislation presume a clear distinction between self-employed persons and employees, and passive income (i.e. dividends) and active income (i.e. wages, salaries). Enforcement of this distinction is also the major measure that controls different types of employment and extends social protection coverage. In this regard, the Estonian Supreme Court (RK) made three significant decisions recently¹ which supported the position that in some cases, the service agreements between companies can be considered as a fraudulent form of (self-) employment with the purpose of avoiding employment taxes, including social protection contributions². The court decisions stipulated that service agreements between companies are considered employment relationships when one establishment does work for another company in subordination to the management and

¹ The Estonian Supreme Court cases: [No. 3-3-1-12-15](#), [No. 3-3-1-25-15](#), [No. 3-2-1-82-14](#))

² The court cases were about the situations where a management board member of one company provides management, consultation and other services for the company as a juridical person through the person's own private limited company instead of concluding an employment contract or authorisation agreement for providing the service as a natural person.

control of the company ([Estonian Tax and Customs Board \(EMTA\), 22.01.16](#)). (For an English summary, see Kadarik and Masso 2016). Subordination is a strong indication of an employment relationship, since according to the Employment Contracts Act³ 'a natural person (employee) does work for another person (employer) in subordination to the management and control of the employer and the employer pays to the employee remuneration for such work'. The court decision gives EMTA the right to requalify the service agreement to employment contract when an actual employment relationship between the parties has been identified. Labour taxes from the remunerations (that is the prerequisite for social protection coverage in some social risks like sickness) shall then be declared and paid. Further, EMTA has been in the position that owners of a company (i.e. self-employed person) shall not declare only corporate income and profit from dividends (i.e. passive income) but also must formally earn active income, for instance as a member of a management board or employee whose income is taxed accordingly.

At the same time, as is described in the next section, the differences in taxation of labour and capital create economic incentives and rewards for self-employment. Also, there are a number of extra policy measures to support self-employment, including financial incentives in tax-system and grant system (see for instance (Möttus and Lukason, 2013).

2 Description and assessment of social protection provisions for self-employed and people employed on non-standard contracts

2.1 Description of social protection provisions for self-employed and people employed on non-standard contracts

For evaluating the social protection of people working as self-employed or on non-standard contracts in Estonia, four types of employed persons shall be distinguished:

- Employees – employees or civil servants, including part-time employees, fixed-term employees, whose terms of employment are regulated respectively with the Employment Contracts Act⁴ and the Civil Service Act^{5,6}.
- People employed on non-standard contracts – self-employed natural person who offers goods or services for charge in his or her own name whose terms of employment and service status are regulated by the Civil Code⁷ and the Law of Obligations Act⁸ (i.e. service contract).
- Sole proprietors – self-employed natural persons who offer goods or services for charge in his or her own name and whose status is regulated by the Commercial Code⁹. Terms of service contract are regulated by the Law of Obligations Act.
- Members of a management board – oftentimes self-employed persons, in this case entrepreneurs¹⁰ who offer goods or services via a company¹¹. The status of the company and management board is regulated by the Commercial Code. Terms of

³ [Employment Contracts Act Passed](#) 17.12.2008 RT I 2009, 5, 35 Entry into force 01.07.2009.

⁴ [Employment Contracts Act Passed](#) 17.12.2008 RT I 2009, 5, 35 Entry into force 01.07.2009.

⁵ [Civil Service Act](#), Passed 13.06.2012 RT I, 06.07.2012, 1 Entry into force 01.04.2013, §§ 108-110 and 136 entered into force 16.07.2012

⁶ This Act applies to the officials of state and local government authorities and in the cases provided for by this Act to the employees of a state and local government authority.

⁷ [General Part of the Civil Code Act](#) Passed 27.03.2002 RT 2002, 35, 216 Entry into force 01.07.2002

⁸ [Law of Obligations Act](#) Passed 26.09.2001 RT I 2001, 81, 487 Entry into force 01.07.2002

⁹ [Commercial Code](#) Passed 15.02.1995 RT I 1995, 26, 355 Entry into force 01.09.1995

¹⁰ The Commercial Code defines entrepreneur/undertaker as a natural person who offers goods or services for charge in his or her own name and for whom the sale of goods or provision of services is permanent activity, or a company.

¹¹ A company is a general partnership, limited partnership, private limited company, public limited company or commercial association

service contract are regulated by the Law of Obligations Act (i.e. authorisation contract).

The Estonian social protection system in general is mandatory and contribution based. The other non-contributory schemes are universal and cover all residents. In Estonia, about 80% of receipts to the social protection system could be attributed to employers' social contributions, less than 20% of the receipts are general government contributions and only a marginal share is paid by protected persons (Eurostat, table code: spr_rec_sumt). The coverage and adequacy of the social protection system depends on the type of employment specified above and differences in taxation of income, i.e. social security contributions. As will be described in more detail below, eligibility rules of a considerable share of benefits presume employers' or employed persons' contribution to the system. The following table 3 outlines the social security contributions regime applicable to different forms of economic activity and employment in Estonia.

Table 4 Social security contributions, income taxation regimes in Estonia (2016)

Type of employment	Social security contributions, income taxation regimes
<p>Employee (including part-time employees, fixed-term employees, employees with either employment contract or civil service agreement)</p>	<ol style="list-style-type: none"> 1. Personal income tax –the natural person income tax rate is 20% (i.e. paid by the employee). The tax-free minimum is EUR 170 per month of which no deduction of income tax takes place. 2. Social tax - 33% of the employee's gross earnings is paid by the employer (20% for social security and 13% for health insurance). The monthly rate for the creation of the minimum social tax liability is EUR 390, i.e. the minimum social tax liability for an employer is EUR 128.7 per month. 3. Mandatory funded pension (second pillar) - contributing 2% of their gross salary to the pension fund (The state contributes an additional 4% of the 20% of the social tax used for pensions to the individual's personal account, and retains the remaining 16% for members of the first pillar). 4. Unemployment insurance premiums are paid by both employer and employee: 1.6% is withheld of the employee's monthly gross salary and 0.8% is paid by employers of the employee's monthly gross salary.
<p>People employed on non-standard contracts</p>	<ol style="list-style-type: none"> 1. Personal income tax –the natural person income tax rate is 20% (i.e. paid by the employee). The tax-free minimum is EUR 170 per month of which no deduction of income tax takes place. 2. Social tax - 33% of the employee's gross earnings is paid by the employer (20% for social security and 13% for health insurance). (NB! the minimum social tax liability is not applied). 3. Mandatory funded pension (second pillar) - contributing 2% of their gross salary to the pension fund (The state contributes an additional 4% of the 20% of the social tax used for pensions to the individual's personal account, and retains the remaining 16% for members of the first pillar). 4. Unemployment insurance premiums are paid by both employer and employed person: 1.6% is withheld

	of the employed persons' gross salary and 0.8% is paid by employers of the employee's gross salary.
Self-employed – sole proprietorship	<ol style="list-style-type: none"> 1. Taxation of sole proprietor's (FIE) income - tax rate is 20% of business income. 2. Sole proprietors (FIE) are required to pay social tax on business income - 33% of business income. Minimum tax liability for a FIE is EUR 386.10 per quarter (EUR 1,545.4 per year). There is also ceiling. 3. Mandatory funded pension (second pillar) - contributing 2% of their gross salary to the pension fund (The state contributes an additional 4% of the 20% of the social tax used for pensions to the individual's personal account, and retains the remaining 16% for members of the first pillar). 4. A sole proprietor (FIE) is not required to pay unemployment insurance premiums for himself/herself (nor may they join the scheme voluntarily).
Self-employed - Members of a management board	<ol style="list-style-type: none"> 1. The corporate income tax rate is 20%; earning profits in it does not bring income tax liability, which arises only when earned profit is distributed to shareholders. 2. Members of the management board are treated as employees for income tax and social tax. Regarding the social tax, the monthly rate for the creation of the minimum social tax liability is 390 euros, i.e. the minimum social tax liability for an employer is 128.7 euros per month. 3. Mandatory funded pension (second pillar) - contributing 2% of their gross salary to the pension fund (The state contributes an additional 4% of the 20% of the social tax used for pensions to the individual's personal account, and retains the remaining 16% for members of the first pillar). 4. Members of the company's management or supervisory body are not required to pay unemployment insurance premiums (nor may they join the scheme voluntarily).

Source: Authors' compilation based on regulations

The table indicates that employed persons, including self-employed persons, are subject to a minimum social tax contribution base (unless they are receiving state pensions or the central government is already paying minimum contributions due to certain benefits). However, even if people employed on non-standard contracts (i.e. service contract, authorisation contract) are not subject to a minimum contribution base, eligibility to some benefits, i.e. health insurance depends on whether the minimum contribution base is paid in sum of all the services and products provided. In practice, this could influence social protection coverage of both part-time or other fixed-term employees and other part-time or fixed-term employed persons.¹²

The social protection system does not directly influence transitions between employment status or unemployment and self-employed activity. Indirectly, as discussed above, the taxation differences constitute an economic incentive to prefer self-employment to

¹² In the generally described system, there are some exceptions. For instance, some of the government transfers to creative professionals are not taxed by default. Thus the social security coverage depends on whether creative freelance professionals register as self-proprietor and subsequently pay the tax themselves ([see also Osila, Kadarik 2014](#)).

employee status. Also, social protection benefits in kind and in grants, first and foremost, business start-up subsidy, support return to employment via self-employment. However, as will be discussed below, members of a management board and sole proprietors are not that well covered with unemployment protection compared to employees. This might introduce disincentives to take on risks related to transition to self-employment.

In the following sections, the social protection provisions for people employed on non-standard contracts and self-employed persons are described (see also annex 1 that summarises the description). In the section after, the assessment of the coverage and adequacy of the provision are evaluated.

2.1.1 Healthcare and sickness: cash benefits and benefits in kind

Health insurance benefits are regulated by the Health Insurance Act¹³ and compensate the insured persons for the cost of disease prevention and treatment, the cost of medicines and medical appliances and provide benefits for temporary incapacity for work and other benefits. Health insurance benefit is either in kind (health service, necessary medicinal products or medical device), or in cash, e.g. sickness benefit.

The system is based on a mandatory social insurance system. The health insurance is financed from social tax, which is paid by employers on behalf of their employees and other employed persons, and by the sole proprietor at the rate of 33% of the tax base (13 percentage points for the health insurance).

Insured persons are residents for whom the social tax is paid by:

- their employer i.e. employees with employment contract, persons employed with civil law contract/contract for services, members of management boards with contract for services;
- themselves, including sole proprietors
- the state (e.g. parents on parental leave).¹⁴

For insurance coverage, the employees have to have an employment contract for at least one month. Persons employed with a contract for services and members of management boards with contracts for services have insurance coverage if the minimum amount of social tax per month is paid. Sole proprietors are covered if they are active and have contributed the minimum social tax liability.

Benefits in kind, i.e. treatment are based on solidarity and the service does not depend on the amount of contribution.

The cash benefits for employees are calculated based on average earnings over the calendar year preceding sickness, while the benefits for sole proprietors are calculated on the basis of actually paid tax over the previous calendar year.

The health insurance includes sickness benefit. Sickness benefit is paid to an employee so that the first three days of sickness are the employee's own contribution (i.e. no benefit is paid), 4th-8th day are paid by their employer¹⁵, and from the 9th day the benefit is paid by the Health Insurance Fund. As in the case of a sole proprietor or one employed by contract for services including members of a management board with authorisation agreement there is no formal employer, which means that they can receive the benefit from the 9th day from the insurance. However, for instance members of management board with authorisation agreement could agree with their company that their compensation includes

¹³ [Health Insurance Act](#) Passed 19.06.2002 RT I 2002, 62, 377

¹⁴ Also, it is possible to make a contract with the Health Insurance Fund extending all the rights and obligations of the insured person laid down in the Health Insurance Act to the beneficiary. The persons qualifying for the signature of the contract are those who have been insured by the Health Insurance Fund for at least 12 months during the preceding 2 years. The insurance premium for one calendar month in year 2016 is EUR 138.50, quarterly payment is EUR 415.50 and annual payment is EUR 1662.

¹⁵ [Occupational Health and Safety Act](#) Passed 16.06.1999 RT I 1999, 60, 616 Entry into force 26.07.1999

sickness benefit up to the 8th day (also, the sole proprietors and members of the management board could buy private health insurance to cover the waiting period).

2.1.2 Maternity/paternity cash benefits and benefits in kind

The Estonian maternity/paternity benefits system includes a number of benefits of which the policy rules vary across different types of employment.

Compensation for pregnancy and maternity leave/Pregnancy and maternity benefit. Pregnant women (with health insurance and pregnancy confirmed by doctor or midwife) are entitled to begin maternity leave 30-70 calendar days prior to the due birth date and can stay on leave for a maximum of 140 calendar days. The pregnancy and maternity leave benefit¹⁶ provides a replacement income of 100% of previous earnings and there are neither upper nor lower limits for the amounts. The entitlement to the benefit depends on the health insurance (a minimum payment of social tax contribution is mandatory), and policy rule does not exclude or discriminate against self-employed persons or persons with non-standard work relationship. Similarly to sickness benefit, the pregnancy and maternity leave benefit presumes inactivity.

Paternity leave. A father has the right to receive a total of ten working days of paternity leave during the period of two months before the estimated date of birth determined by a doctor or midwife and two months after the birth of the child. Paternity leave is remunerated by the employer on the basis of the employee's average wage. Then, the pay for the leave is compensated to the employer from the state budget¹⁷. Only employees are entitled to apply for paternity leave and benefit, other employed persons, i.e. self-employed persons like sole proprietors and employed persons with non-standard work relationships are not eligible.

Parental benefit and child care allowance. Estonia has a relatively long duration of paid parental leave (up to the child's age of 3, i.e. 36 months) and both parents one at a time are entitled to be on parental leave. The first half of parental leave (435 calendar days) is covered by the parental benefit, the size of which depends on previous earnings taxed with social tax. (The replacement income is 100% of previous earnings; if social tax has not been paid before childbirth, national minimum parental benefit will be paid.)¹⁸ The second half is covered by a modest childcare allowance¹⁹, which is a flat-rate benefit of EUR 38.35 per month for each child under the age of 3 (additional benefits are available for children 4-8 years old, if there are also children up to 3 years old in the home). Parents are allowed to work at the same time when receiving parental benefits or childcare allowances but in that case they are entitled to reduced parental benefits.

Parental benefits are universal benefits and not related to employment status. The entitlement to the benefits includes both self-employed persons like sole proprietors and persons with non-standard contract work relationships.

Child leave. Each calendar year a mother or father has the right to receive child leave for three working days if she or he has one or two children less than 14 years of age or for six working days if she or he has at least three children under 14 years of age or at least one child under three years of age. The leave is first remunerated by the employer on the basis of the minimum wage and then compensated from the state budget. Only employees are entitled to child leave and benefit, other employed persons, i.e. self-employed persons like sole proprietors and employed persons with non-standard contract work relationships are not eligible.

¹⁶ [Health Insurance Act](#) Passed 19.06.2002 RT I 2002, 62, 377

¹⁷ [Employment Contracts Act](#) Passed 17.12.2008 RT I 2009, 5, 35 Entry into force 01.07.2009.

¹⁸ [Parental Benefit Act](#) Passed 10.12.2003 RT I 2003, 82, 549 Entry into force 01.01.2004

¹⁹ [State Family Benefits Act](#) Passed 14.11.2001 RT I 2001, 95, 587 Entry into force 01.01.2002

2.1.3 Old-age and survivors' pensions

The Estonian pension system consists of three main schemes: a state pension insurance (a pay-as-you-go system with defined benefit); a statutory funded pension scheme (defined contribution scheme), optional for older cohorts and compulsory for others; and voluntary funded pension schemes (defined contribution scheme). The state pension insurance provides protection against the risks of old age and survivorship and counts two separate tiers: employment-based old-age and survivors' pensions, and flat-rate residence-based national pensions (solidary scheme). The purpose of the national pension is to guarantee a minimum income for those who are not entitled to the employment-based pension. National pensions are financed from the general state budget, whereas old-age and survivors' pensions are predominantly financed from an earmarked social tax paid by employers and the self-employed at the rate of 16 percent or 20 percent of gross earnings depending on whether the insured person has joined the statutory funded scheme or not. Also, there is a statutory funded defined-contribution scheme that is financed by diverting a portion of contributions from the statutory scheme into private funds and introducing additional contributions.

The general conditions apply to both employees and self-employed persons, including sole proprietors, and people employed on non-standard contracts such as management board members.

2.1.4 Unemployment benefits and social assistance benefits

Unemployment benefits

Social protection of the unemployed in Estonia consists of two tiers: unemployment insurance benefit and unemployment allowance²⁰. The primary system is the Unemployment Insurance benefit, which depends on previous earnings and is financed from statutory unemployment insurance contributions²¹. To be eligible for the unemployment insurance benefits, the person should have paid insurance contributions 12 months during the previous 36 months. The secondary system consists of the Unemployment Allowance benefit, which is flat rate and is financed from the state budget. Payment of unemployment allowance is also conditional on the previous employment record and the maximum duration is 270 days.

In general, employed persons, including employees and people employed on non-standard contracts are covered by the unemployment insurance scheme as unemployment insurance contributions are paid from their income. However, members of the company's management or supervisory body with authorisation agreement are not required to pay unemployment insurance premiums and are not covered. Also, as will be discussed in more detail below (section 2.2.) members of management boards are not considered inactive or unemployed and so currently could not register as unemployed and are thus not eligible for unemployment allowance and most of the labour market services. They would have to resign from their position to be formally active and be eligible for formal unemployment status and related policy measures. Similarly, sole proprietors do not pay unemployment insurance premiums and are not covered by the unemployment insurance. However, if they are inactive (not registered as sole proprietors anymore) they could register as unemployed and may be entitled to the unemployment allowance scheme if they comply with other eligibility criteria, especially including having been employed at least 180 days during the twelve months prior and their income is less than the 31-fold daily unemployment allowance rate (EUR 136.71).

Social assistance

²⁰ Payment of unemployment insurance benefits is regulated by the Unemployment Insurance Act and payment of unemployment assistance benefit is regulated by the Labour Market Services and Benefits Act.

²¹ In 2014 employees paid 2% of their earnings and employers paid 1% of the payroll for unemployment insurance.

Subsistence benefits²² in Estonia are a state aid to people in need paid by local governments. Subsistence benefits are paid only in cases where all other measures aimed at alleviating poverty and need have proven to be ineffective. Subsistence benefit is financed from general tax revenues and earmarked funds are allocated from the general government budget to local governments each year. Subsistence benefits guarantee the income level, which should protect people from suffering direct poverty. Subsistence benefits are provided to a person living alone or to a family whose monthly net income, after the deduction of the housing expenses (up to a certain limit), is below the subsistence level (in 2016 the level is EUR 130 for a person living alone, for the first member of the household and for minors in the household; EUR 104 for each subsequent adult member of the household). Thus, the subsistence benefit depends on the household income, household structure, subsistence level, housing costs and limits of deductible housing costs established by local governments. The eligibility rules of the benefit do not exclude or discriminate against self-employed or employed persons with non-standard contracts.

All employed persons are eligible for the basic income tax exemption that is EUR 2,040 in 2016. On 15 June 2015 the parliament adopted a new benefit scheme - annual refund for low-paid employees²³. The refund is support paid once per calendar year to a low-paid employee or civil servant who is employed full-time in order to increase his or her income. The first submission of applications and the pay-out of benefits will be made in spring 2017. The size of the payment depends on annual taxable income, paid income tax and months in employment in the previous calendar year. To be eligible for the benefit, a person (at least 18 years old) has to have worked in a full-time job for at least six months in the previous year (there are exceptions for disability pensioners). Alternatively, the applicant may have multiple simultaneous part-time contracts (but still must fulfil the requirement of full-time working). For those who have not worked for a full year, the benefit size is proportional to the number of months worked. Only employees and civil servants are eligible for the refund; employed persons with non-standard work contract and sole proprietors are not eligible for the refund.

2.1.5 Long-term care benefits

The long-term care concept in Estonia consists of two main areas: nursing care and welfare. Long-term care services are mostly financed by the local government from its budget and by the person and/or their family. A local social worker, who will take necessary actions considering the needs and wishes of the person and their family, does the assessment of the need for welfare services. Eligibility to these services does not take into account the type of previous employment.

Additionally, local governments provide services, such as institutionalized care, home care, and the provision of a support person or personal assistant. Eligibility to these services does not take into account the type of previous employment.

2.1.6 Disability, accidents at work and occupational injuries benefits

In the Estonian social protection system work ability (i.e. occupational disability) and (general) disability is differentiated. The first pillar of work ability protection is sickness benefit, i.e. temporary/short term work incapacity insurance described in the section 2.1.1. The second pillar is work ability allowance²⁴. The allowance has two levels: in the case of total incapacity for work, the daily allowance is equal to the daily rate (which is EUR 11.25 in 2016, and indexed after that); in the case of partial incapacity for work the daily benefit is 57% of the daily rate. Also, the allowance is reduced in the case of labour earnings higher than the average wage (90 times daily rate).

²² [Social Welfare Act](#) Passed 09.12.2015 RT I, 30.12.2015, 5 Entry into force 01.01.2016, 18.01.2016, 01.07.2016, 01.01.2018, 01.07.2018 and 01.01.2020

²³ [Labour Market Services and Benefits Act](#) Passed 28.09.2005 RT I 2005, 54, 430 Entry into force 01.01.2006

²⁴ [Work Ability Allowance Act](#) Passed 19.11.2014

A person working based on a contract for services, authorisation agreement or another contract under the law of obligations for provision of services, i.e. a member of the management or supervisory body of a legal person, or a person registered as a sole proprietor with partial work ability, has the right to receive work ability allowance similarly to persons working based on an employment contract or in public service.

The special case of work ability protection is compensation for occupational accidents and injuries. In the Estonian social protection system in general there is no separate workers' compensation scheme; however there are some exceptions in the sickness benefit scheme when the health condition is caused by work, namely the replacement rate is 100% and the waiting period i.e. employees' and employers' own contribution is only 1 day. However, the health insurance fund has the right to recover from the employer the difference between the benefit paid. Due to this for self-employed persons (i.e. sole traders, self-employed persons as members of management boards with authorisation agreement) the smaller own contribution might not apply in practice and their actual benefit is comparable to the sickness benefit described in the section 2.1.1. In addition, employed persons can file a liability claim against a person guilty of the injuries or health problems (the liability claim is the last resort in case the social security network fails). However, only employees and civil servants have a guarantee scheme - if an employer is liquidated without having a legal successor, the government compensates for proprietary damage caused to a person by their employer through health damage or death arising from an occupational accident or occupational disease²⁵.

In addition to work ability benefits, there are various benefits for disabled working age people and the elderly²⁶. These benefits, like disability allowance for the working age people to cover additional expenses, education allowance to non-working disabled students to cover additional expenses, adult training support, do not have policy rules that would discriminate against self-employed persons or persons with non-standard work contracts.

2.1.7 Family benefits

In the Estonian social protection system, there are various forms of support for families with children²⁷, including (1) state universal family benefits, (2) state means-tested family benefit, (3) tax allowances and deductions depending on the number of children or expenditures on children, (4) benefits and services provided by local municipalities e.g. additional birth grants, additional social assistance benefits, child's school allowance (at the beginning of the school year), etc., (5) special benefits for disabled children and their families, (6) free or subsidised services for children (e.g. subsidised school meals; free health care, including dental care; subsidised childcare in kindergarten, etc.).

Family benefits are solidarity based and non-contributory schemes, and thus indifferent to type of employment, so all residents are covered. In other words, the policy rules of these benefits do not exclude or discriminate against self-employed persons or persons with non-standard work relationships.

2.2 Assessment of the existing social provisions and of the impact of possible extension of their coverage

There are not many policy rules that directly influence social protection **coverage** of self-employed persons and persons employed with non-standard work contract. However, the actual coverage would depend on activity in the labour market. Currently, there are no empirical studies that would evaluate actual **coverage and take-up** of social protection schemes across different types of employment, including part-time and temporary employment, and intersectionally across different demographic groups, including gender.

²⁵ [Occupational Health and Safety Act](#) Passed 16.06.1999 RT I 1999, 60, 616 Entry into force 26.07.1999

²⁶ [Social Benefits for Disabled Persons Act](#) Passed 27.01.1999 RT I 1999, 16, 273

²⁷ [State Family Benefits Act](#) Passed 14.11.2001 RT I 2001, 95, 587 Entry into force 01.01.2002

The household income surveys, i.e. Estonian Social Survey (part of EU-SILC), would have some limitations as a source of data, as the incidence of self-employed and non-standard employment contracts is not high. Also the survey does not describe episodes of employment and income over a longer period of time and thus does not take into account all the eligibility rules related to tenure and income. This would be crucial as in the social dialogue and public sphere it has been discussed that precarious and insecure employment is the characteristic of self-employment and non-standard contractual employment to a larger extent than for employees. It follows that the analysis of linked administrative data would be required to reliably and validly evaluate the coverage and take-up. Also, the actual coverage estimates have to take into account secondary employment. According to Estonian Labour-Force Survey 2013 data (*authors' calculations*) 5% of the employed population aged 15-64 have multiple jobs. Of those 69% are in their main and the most important second job salaried workers and 20% are in their main job self-employed and in the most important second job salaried workers. This indicates that a small share of self-employed persons could be also covered by social protection via their secondary salaried work.

According to Tax and Customs Board administrative statistics, there were 116,700 persons (about 20% of employed persons) with irregular income less than 12 times the minimum social tax liability in 2015. There are no estimates across the type of employment; however, it gives a rough estimate of the population that could fall out of contribution-based schemes. However, the coverage issue is not only related to the required minimum social protection contribution. For instance, although the unemployment insurance does not have the minimum liability, the main problems related to the Estonian unemployment benefit system include low coverage. In 2015, 36% of newly registered unemployed people received neither unemployment insurance benefits nor unemployment allowances. Partially this is due to lack of required employment history, that arguably is also the case for employed persons with non-standard contracts and self-employed persons with fluctuating economic activity. Hence, the unemployment benefit system in particular has not been responsive to the new challenges, mainly multiple spells of unemployment and inactivity, which do not allow one to accumulate the required employment record to qualify for benefits.

The volatility and variety in income and thus risks related to social protection contribution to contribution-based schemes has also been the focus of policy changes. The most important exemplary amendment from the recent history involves social tax and health insurance. As of 2016, the conditions of health insurance coverage for a member of the management and control body of a legal entity and for a person receiving labour and service fees on the basis of a contract under the law of obligations have been changed. Formerly, the beginning and end of the health insurance was tied to the beginning and the end date of the contract and to the corresponding entry in the working register. As of 1 January 2016, in the case of a contract under the law of obligations, the beginning and the stopping of the health insurance is related to submission of a tax return to the Tax and Customs Board. The insurance arises after the submission of the tax return and stops when on the day following the deadline for submission of the next tax return, the minimum obligation of the payment of the social tax has not been met. In addition, those who work on the basis of more than one contract under the law of obligations, the prerequisite for obtaining insurance is that the minimum amount of the social tax (in 2016 EUR 128.70) taken together from all the contracts per month has been met. Previously, there was no possibility of aggregation and the employed persons working under a number of contracts that in aggregation guarantee the minimum obligation, did not get insurance. The example would increase coverage of social protection in general and health insurance in particular for self-employed and for those employed with non-standard contracts. In this regard, also individual social security accounts where balances are based directly on an employed person's contributions over longer life and employment course and are available only to pay benefits to that employed person, could be considered one theoretical policy change. As well as transform the contributory schemes toward more solidarity-based non-

contributory schemes. However, the individual accounts and extending non-contributory schemes have not been discussed in the public sphere currently.

Adequacy of social protection of self-employed and persons employed with non-standard employment contracts would also require future empirical evaluations. The available statistics (Section 1.2) indicate that self-employed persons are more likely at risk of poverty (both relative and absolute poverty) however less likely in material deprivation based on the income after social transfers. The impact of redistributive policy, i.e. tax-benefit policy to self-employed persons and their household income, could be evaluated more precisely with models that would describe whether changes over time are due to changes in the level and distribution of market incomes, population characteristics or tax-benefit policies, or their interactions.

The recent analysis (EUROMOD 2016) based on the EUROMOD micro-simulation model shows the impact of tax-benefit policy rules on household income. In the analysis, the total policy effect on household disposable incomes is decomposed into the following components: public pensions, means-tested benefits, non-means-tested benefits, employee and self-employed social insurance contributions (SIC) and direct taxes. The analysis shows that increases in self-employment social insurance contributions have accounted for a 0.02 percentage point decrease in average household disposable income (see table 4).

Table 5 Policy effects of tax-benefit ruled in 2013-2014 and 2014-2015, using the consumer price indexation-, %

Policy effects in 2013-2014

Decile	Original income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Direct taxes	Disposable income
1	0.00	1.94	4.55	0.65	-0.03	-0.24	-0.05	6.82
2	0.00	2.88	0.31	0.51	-0.03	-0.04	-0.10	3.54
3	0.00	2.59	0.00	0.48	-0.07	-0.02	-0.10	2.89
4	0.00	2.34	0.00	0.45	-0.05	-0.02	-0.12	2.60
5	0.00	1.27	0.00	0.43	-0.11	-0.02	-0.10	1.48
6	0.00	0.84	0.00	0.33	-0.10	-0.01	-0.08	0.98
7	0.00	0.65	0.00	0.48	-0.12	0.00	-0.10	0.90
8	0.00	0.43	0.00	0.33	-0.14	-0.01	-0.07	0.54
9	0.00	0.33	0.00	0.47	-0.14	-0.01	-0.09	0.56
10	0.00	0.14	0.00	0.54	-0.20	0.00	-0.09	0.39
Total	0.00	0.88	0.15	0.46	-0.13	-0.02	-0.09	1.26

Policy effects in 2014-2015

Decile	Original income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Direct taxes	Disposable income
1	0.00	2.01	3.91	4.03	0.16	-0.26	0.32	10.17
2	0.00	2.93	0.90	2.58	0.16	-0.04	0.38	6.91
3	0.00	2.67	0.00	2.08	0.20	-0.02	0.45	5.38
4	0.00	2.45	0.00	1.88	0.22	-0.02	0.51	5.03
5	0.00	1.33	0.00	1.94	0.32	-0.02	0.76	4.33
6	0.00	0.86	0.00	1.73	0.36	-0.01	0.88	3.81
7	0.00	0.68	0.00	1.61	0.37	0.00	0.91	3.57
8	0.00	0.46	0.00	1.17	0.40	-0.01	0.98	3.00
9	0.00	0.34	0.00	1.11	0.41	-0.01	0.99	2.84
10	0.00	0.14	0.00	1.03	0.42	0.00	1.01	2.60
Total	0.00	0.91	0.16	1.54	0.35	-0.02	0.84	3.79

Source: EUROMOD. 2016. "Effects of tax-benefit policy changes across the income distributions of the EU-28 countries: 2013-14 and 2014-15", Institute for Social and Economic Research, University of Essex.

Notes: shown as a percentage change in mean equivalised household disposable income by income component and income decile group. Income decile groups are based on equivalised household disposable income in 2014, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2015 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

The evaluation of self-employed persons' income distribution and coverage and adequacy of social protection should also take into account non-compliance with tax rules, including tax-avoidance and tax-evasion. As described above, the social protection of self-employed persons (i.e. board members, sole proprietors) depends on whether they declare active income that is taxed with social tax and income tax (and unemployment insurance premium, pay funded pension contribution). In the Estonian tax system, there is an incentive to declare only passive income as income tax liability arises only when earned profit is distributed to shareholders (and this income is not taxed with social tax and income tax, and unemployment insurance premium). In sum, the social protection coverage depends on self-employed persons willingness (and economic opportunity, as discussed above) to declare active income. In the recent analysis, Paulus (2015b) detects large underreporting of earnings by households (of couples) whose head is self-employed (56% on average in tax records, 25% survey incomes) and also substantial underreporting of earnings by households whose head is a private-sector employee (23% on average in tax records, 7% in survey income: the latter estimate is also statistically nonsignificant). Also, in the recent analysis Kukk and Staehr (2014) found that the reported total income of households with business income above 20% of total income must be multiplied by 2.6 in order to attain the same propensity to food consumption as households of wage earners. In this sense, households with business income underreport 62% of their 'true' total income. Households with reported business income above 0 but below 20% of total income also underreport income but to a lesser extent. Also, according to administrative statistics, in 2015 there were 3600 persons self-employed as management board members whose active income (i.e. taxed with social protection contributions) was EUR 504 per month on average, however had passive income also EUR 3337 per month on average ([Tax and Customs Board via Äripäev](#)). Thus the risk of poverty and social protection depends also on the willingness of self-employed persons to pay taxes and social protection contribution. However, the government performance in making the tax legislation effective is also deficient. The legislation allows the tax authority to establish facts which are the basis for making an assessment of tax payable by way of estimation, and apply conditions that correspond to the actual economic content of the transaction or act (Taxation Act, § 84, §94²⁸). Nevertheless, the case law or tax authority guidelines have not been effective in

²⁸ [Taxation Act](#) Passed 20.02.2002 RT I 2002, 26, 150

creating legal clarity for employed persons and employers (see also Põldoja and Pikmets 2009). It follows that the issue of tax avoidance and evasion and considerable differences in taxation of capital and labour could be tackled by making the tax legislation more clear and effective.

Also, the issue of **unequal treatment** and **moral hazard** is crucial in discussing social protection of self-employed persons. The most problematic aspect of the system is possible unequal treatment of members of management boards regarding unemployment benefits (see also Masso 2014). Since 2014 the members of the management or supervisory body of a legal entity could not be registered as unemployed and thus they do not have the right to receive unemployment benefits. In exceptional cases, a person who is a member of the management or supervisory body of a non-profit association or foundation could register as unemployed if their remuneration for such work amounted to less than half of the national minimum wage. With the amendment the government wanted to abolish moral hazard in the scheme. The government says members of a management or supervisory body can choose whether or not to be paid, and so they should be classed as economically active and employed. It says the unemployment protection scheme is not there to manage the risks of companies or to provide income protection for start-up entrepreneurs and self-employed. Social partners have strongly objected to the amendment, arguing that this (1) does not foster active participation in the labour market; (2) damages the business environment and hinders the creation of new companies, and (3) wrongly assumes that all members of the management or supervisory body of a legal entity are employed since about half of the registered companies could be considered economically active as they employed at least one employee and declared turnover and taxes. At the end of 2015 the Chancellor of Justice sent to the Parliament a proposal²⁹ to enable unemployment insurance also for the members of executive boards (management) of a company. The chancellor found that current legislation is not in accordance with the Constitution of the Republic of Estonia in terms of principle of equal treatment, freedom to conduct business and right of private property. In 2016, the parliament and government discussed amendment accordingly³⁰. The government has estimated that the extension of coverage could cost 8-10 million EUR per year³¹. This example shows that policy rules of social protection system could create perverse incentives to manage business risks via solidary social protection system and at the same time discriminatory policy rules could result in unjustified unequal treatment.

In 2016 also the question of how well the employment relation system and social protection system is adapting to the changes in the world of work and business practices has been discussed. For instance, the Chancellor of Justice organized a roundtable to discuss different forms of work and differences in social security guarantees³². It was concluded that further consultation is needed and diversity in employment and contractual diversity could be increased but social rights and protection shall be taken into account. Also, the Chancellor of Justice³³ has outlined the several debate questions regarding types of employment and social protection in its yearly review. Firstly, the definition of employment and unemployment should take into account partial and temporary unemployment and benefits and in-work benefit should take into account precarious employment and income. Secondly, difference in taxation of employment and capital might be counterproductive in the changing world of work. Taxing and contributions to social security schemes shall not discriminate between different types of employment. Thirdly, the coverage of contribution-

²⁹ Õiguskantsleri ettepanek nr 5 Riigikogule (*The proposal of the chancellor of justice to the Parliament*). 2015. http://oiguskantsler.ee/sites/default/files/field_document2/6iguskantsleri_ettepanek_nr_5_riigikogule.pdf

³⁰ [Released: Riigikogu supported proposal of Chancellor of Justice concerning unemployment insurance benefit for heads of companies](#).

³¹ ERR, BNS. 2016. [Madise pöördus firmajuhtide töötuskindlustuse osas riigikohtusse](#)

³² The following stakeholders participated: Ministry of Justice, Ministry of Culture, Labour Inspectorate, Estonian Chamber of Commerce and Industry, Estonian Employers' Confederation, Estonian Trade Union Confederation, Estonian Service Industry Association.

³³ Õiguskantsleri Aastaülevaade 2015-2016. 21. sajandi töö. <http://oiguskantsler.ee/ylevaade2016/21-sajandi-too> Accessed: 11.10. 2016

based schemes depends on a monthly payment of social tax minimum and a longer period is worth considering for irregular though in the end comparable contributors.

3 Conclusions and recommendations

Employees, including civil servants, have the same rights regardless of whether they are temporary or permanent or full-time or part-time employees. Similar general conditions apply to employed persons with non-standard contracts, i.e. self-employed persons who offer goods or services for charge in his or her own name have the same rights presuming they have paid social security contributions. However, members of the management board with authorisation agreement (self-employed persons with a business, company) are not required to pay unemployment insurance premiums and are not eligible for administrative unemployed status and thus for benefits and most of the services. Also self-employed persons as sole proprietors (i.e. a business that legally has no separate existence from its owner) are not required to pay unemployment insurance premiums for themselves, and are not covered by unemployment insurance. They are also considered to be active in the labour market and thus could not be registered as unemployed and are not eligible for unemployment allowance and services. Employees, persons employed with non-standard contracts, and sole proprietors' actual social protection coverage and sufficiency might depend on actual social protection contributions and employment record. For instance, short-term part-time employment does not guarantee social protection from contribution-based schemes and short-term part-time employment could influence eligibility to social protection or calculation of the benefit. In sum, self-employed persons have the same rights as employees selling their work if they have applied for social security and have paid social taxes, other than unemployment insurance.

Based on the report, there are four urgent issues to be addressed in social protection for the self-employed and non-standard employment. Firstly, the Chancellor of Justice has found that the current stipulation that a member of a management or supervisory body of a legal entity could not be registered as unemployed is not in accordance with the Constitution of the Republic of Estonia in terms of the principle of equal treatment, freedom to conduct business and right of private property. However, possible change in the policy rules currently discussed in the parliament and government should not create perverse incentives to manage business risks via solidary social protection system.

Secondly, actual social protection coverage of both employees, employed with non-standard work contracts, management board members with authorisation agreement, and sole proprietors depends on factual activity and income in the labour market. Precarious employment could influence eligibility and calculation of the benefit. It might be worth considering changes in policy rules that would not only depend on monthly (minimum) income but cumulated income over a longer period and policy rules that would to a greater extent reward temporary and part-time employment.

Thirdly, the tax compliance influences coverage and take-up. The empirical analysis has detected large underreporting of earnings by households whose head is self-employed. Thus risk of poverty and social protection is not only dependent on policy rules but also on the willingness of self-employed persons to pay taxes and social protection contributions, and the government performance in making the employment rights and tax legislation effective.

Fourthly, considerable differences in labour and capital create perverse incentives to self-employment and declare only capital income. In the changing world of work, taxing and contributions to social security schemes should not discriminate between different types of employment. The changes in policy rules could tackle and prevent issues related to tax avoidance and evasion and social protection actual coverage.

Development and implementation of changes in the policy rules would presume detailed discussions and evaluations during the policy-making process, including active social dialogue and debates in the public sphere. The government and law enforcement

authorities have already started the discussions. However, empirical evaluations are missing. Most of all, microsimulation modelling of redistributive policy measures are needed. To precisely describe in-work poverty and employment incentives across different types of employment and whether changes over time are due to changes in the level and distribution of market incomes, population characteristics or tax-benefit policies, or their interactions. Also, precarious employment of employees, persons employed with non-standard contracts, and sole proprietors influences actual coverage and sufficiency. Linked administrative data analysis is required to describe patterns of employment and income and thus risks in social protection coverage.

Annex 1 Summary Tables

**Table 3 ACCESS TO SOCIAL PROTECTION: CONTRACTUAL EMPLOYMENT
(employees and civil servants)**

	Full-time employee	Part-time employee	Fixed-term employee	Temporary agency employees	Casual and seasonal employees	On-call employees	Zero-hour employees	Apprentices	Paid trainees
Healthcare - cash benefits and benefits in kind	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Sickness - cash benefits and benefits in kind	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Maternity/paternity - cash benefits and benefits in kind	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Old-age pensions (preretirement benefits and pensions)	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Survivors' pensions and death grants	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Unemployment benefits	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Social assistance benefits	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Long-term care benefits	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Invalidity benefits	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Accidents at work and occupational injuries benefits	Full	Full	Full	Full	Full	Full	NAP	Full	Full
Family benefits	Full	Full	Full	Full	Full	Full	NAP	Full	Full

Notes: Zero hour employment contracts with employees and civil servants are not allowed in Estonia.

Table 4 ACCESS TO SOCIAL PROTECTION: SELF-EMPLOYED

	On her/his own account	With employees (self-employed employer)	Dependent on single client	Dependent on contractual relationship with client	Liberal professions (e.g. doctor, notary, lawyer)
Healthcare - cash benefits and benefits in kind	Full	Full	Full	Full	Full
Sickness - cash benefits and benefits in kind	Full	Full	Full	Full	Full
Old-age pensions (preretirement benefits and pensions)	Full	Full	Full	Full	Full
Survivors' pensions and death grants	Full	Full	Full	Full	Full
Unemployment benefits	Partial	Partial	Partial	Partial	Partial
Social assistance benefits	Partial	Partial	Partial	Partial	Partial
Long-term care benefits	Full	Full	Full	Full	Full
Disability benefits	Full	Full	Full	Full	Full
Accidents at work and occupational injuries benefits	Partial	Partial	Partial	Partial	Partial
Family benefits	Full	Full	Full	Full	Full

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