



## EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# Making access to social protection for workers and the self-employed more transparent through information and simplification

## Estonia

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Making access to social  
protection for workers and the  
self-employed more  
transparent through  
information and simplification**

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The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

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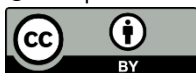
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## Summary

The purpose of this report is to identify and analyse policies put in place by the country to improve transparency in access to social protection, considering both access to information and simplification of access. The report focuses on the six social protection branches covered in the 2019 Council Recommendation on Access to social protection for workers and the self-employed (hereafter "2019 Council Recommendation") and covers policies and measures implemented between January 2017 and May 2022.

Information on, and access to, social protection in Estonia is in large part granted by the digitalisation of administrative processes such as data circulation, processing applications, and online communication with recipients as well as digitalised services for recipients.

The digitalisation of application processes has been a key part of simplifying access to social protection. One example is the success of the e-services of the Unemployment Insurance Fund. Digitalisation of administrative processes in public services allows for a large degree of automation – around 50% of decisions regarding applications are made automatically. Individuals can communicate with service-providers and apply for benefits online. Further digitalisation of public services and the development of better ways to offer public services online (e.g. a pro-active approach based on life events, implementing a more user-centred approach) are at the centre of strategic plans by the government.

A key challenge for access to social protection is the changing nature of employment contracts. As employment relations are becoming shorter and increasingly fragmented, a guarantee of social protection is more precarious and benefits are difficult to access. Low awareness of rights and entitlements regarding healthcare benefits leads to difficulties accessing health insurance. An example of simplification in the context of precarious work forms is the "*entrepreneur bank account*". This account allows small self-employed service-providers to easily declare their income, and grants access to healthcare and sickness benefits. Another example of simplification is allowing people to remain registered as unemployed and receive unemployment benefits while engaging in short-term contracts or doing "*workbits*" (short-term work assignments, up to eight days per month). This prevents people having to deregister and reregister as unemployed, simplifies the process of access, and allows some social protection for those working in temporary jobs.

The importance of information on social protection has also been raised in relation to old-age benefits. Within the pension reform of 2020, the pension system became more flexible, and membership of the statutory funded pension scheme became voluntary as of 2021. According to a survey by Estonian Financial Ministry, issues with financial literacy amongst Estonians include a lack of long-term thinking and a lack of practical application of financial knowledge. In addition to that, there have been few new savings and investment services by banks to provide supplementary services for long-term saving for those who have withdrawn funds (Estonian Financial Supervision, 2021). The withdrawal of statutory funded pension scheme savings has thus raised concerns about an increasing risk of financial insecurity in old age, as reflected in a statement by the Financial Minister, articles by experts, and the launch of general awareness-raising campaigns.

Overall, there are several challenges regarding information on social protection as outlined above, with varying issues specific to the type of social protection under question. While simplification of social protection has received a lot of attention, particularly with the digitalisation of public services, there is still room for improvement. Although most government services related to social protection are available online, there is criticism of the user experience, quality, and ease of use of the e-services. Improving the ease of use and efficiency of e-services and building or improving online infrastructure is a key theme of different national development plans.

# **1 Current policies and practices to ensure information on, and to simplify access to, social protection for workers and the self-employed**

## **1.1 Policies and practices to ensure access to information on social protection rights, entitlements and obligations**

The purpose of this section is to identify and analyse the policies and practices in place to ensure access to information on social protection rights, entitlements and obligations for workers and the self-employed.

### **1.1.1 Policies and practices to ensure access to general and personalised information**

The main focus here is on policies and practices in Estonia that provide workers and the self-employed with **general** information on social protection (e.g. how a scheme works) and/or specific information on their individual rights, entitlements and obligations regarding access to each of the six branches of social protection.

The main practice and policy objective designed to ensure information on, and simplify access to, social protection for workers and the self-employed is digitalisation, in both administrative processes and communication with recipients. In 2021, Estonia ranked seventh in the digital economy and society index, with a score of 59.4 (higher than the EU average of 50.7), and Estonia is considered a front-runner in digital public services. Estonia has well developed e-government systems, with all central government functions and municipalities providing services online (DESI, 2021). However, according to the Estonian Digital Society 2030 action plan, an issue that requires attention is the user experience of digital services, which does not match users' expectations, while clumsiness of processes limits the value of digitalisation (Ministry of Economic Affairs and Communications, 2021, p. 6). Although the goals of digitalising public services have previously been concerned with simplifying administration, the goals outlined in the Digital Society 2030 strategy are related to improving the quality and human-centredness of services.

The main channel of communication between citizens and the state is the web portal eesti.ee.<sup>1</sup> First established in 2003, the portal offers general and personalised information on social protection rights, entitlements, and obligations as well as a range of e-services. The website centralises information from different adjacent public service websites (such as the Unemployment Insurance Fund, Health Insurance Fund, and Labour Inspectorate), and directs users to relevant websites.

In 2017, the websites were upgraded technologically, and their design was renewed. The e-services that had been created over time were checked to avoid duplicated, low-quality, and outdated e-services, and access was made more phone- and tablet-friendly. The updates included the implementation of a data-monitoring system, which allows people to get an overview of the state institutions that have used their data.<sup>2</sup>

Most public service websites are to some extent accessible to disabled users. In 2020, the Ministry of Social Affairs launched an accessibility taskforce to assess and improve the accessibility of public service websites. A project to audit compliance with web content accessibility guidelines and test the use of public service websites by disabled people concluded that Estonian public sector online services were not in accordance with accessibility standards as set by European Union (EU Directive 2016/2102 on the accessibility of the websites and mobile applications of public sector) (Accessibility

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<sup>1</sup> [www.eesti.ee](http://www.eesti.ee)

<sup>2</sup> Riigi Infosüsteemi Amet, 2018. [https://www.eesti.ee/est/teemad/kodanik/riiqiportaali\\_abi/riiqiportaali\\_ajalugu](https://www.eesti.ee/est/teemad/kodanik/riiqiportaali_abi/riiqiportaali_ajalugu)

Taskforce, 2020). The most common accessibility issues include the poor structuring of text, data and other relevant information on the website. For example, on both the web and apps, headlines are often not labelled correctly, making it difficult for users of screen-reader programmes to grasp (Consumer Protection and Technical Regulatory Authority, 2021).

#### **1.1.1.1 Unemployment benefits**

Unemployment insurance benefit and unemployment allowance are available only to the registered unemployed (aged between 16 and pensionable age, including non-standard workers). The main tool for ensuring access to general and personalised information related to unemployment benefits is the web portal of Unemployment Insurance Fund.<sup>3</sup> The website includes general information about the support and benefits available, including guides on how to register as unemployed and apply for benefits, and information about the work ability assessment and the related process. The website features a labour demand barometer, news articles and information about events for unemployed people as well as employers. There is also a self-service web portal for job-seekers and employers. According to the customer satisfaction monitoring report of the Unemployment Insurance Fund in 2021 (Turu-uuringute AS, 2021), the main sources for information about the services of the Unemployment Insurance Fund were indicated to be the official website (81% of respondents) and public media or newspapers (31% of respondents). Satisfaction with finding relevant information on the website increased from 58% in 2018 to 67% in 2021. Although people can still access information and services through physical offices, the annual reports also show a continuous increase in the number of users who apply online and a fall in the number who use the traditional pen-and-paper method (*ibid.*). The website is built in accordance with web content accessibility guidelines (WCAG 2.1 AA), to be more accessible for people with disabilities.

#### **1.1.1.2 Sickness and healthcare benefits**

In 2020, about 4.8% of Estonian population did not have health insurance. The uninsured were mainly young, working age, and male, and had intermittent insurance coverage over the previous 11 years (instead of completely missing, as would be the case for residents living and working abroad) (Ministry of Social Affairs, 2021). The main reasons for individuals' limited access to healthcare benefits were related to employment: a) the employment relation was short-term or fragmented; b) the salary was unstable or insufficient; and c) the form of employment did not ensure access to social protection (e.g. wages were undeclared) (Masso *et al.*, 2018).<sup>4</sup>

The fine-tuning and modifications to the health insurance system in past decades have resulted in a complicated system that features various bases for access to healthcare insurance, sometimes lacking in clarity. This makes healthcare and sickness benefits difficult for the state to administer as well as recipients to understand. In fact, lack of awareness of one's rights and low motivation have been identified as significant barriers to access to healthcare benefits. For example, unemployed people not registered with the Unemployment Insurance Fund, or students studying abroad, may not be aware of their rights and entitlements to healthcare benefits (Ministry of Social Affairs, 2021).

Information about healthcare benefits and sickness benefits is available on public service websites. General as well as individual information is available on the eesti.ee web portal,

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<sup>3</sup> [www.tootukassa.ee](http://www.tootukassa.ee)

<sup>4</sup> Estonian healthcare system is mainly publicly funded through social health insurance contributions in the form of an earmarked social payroll tax. In the past decade, the number of people working on temporary or fixed-term contracts has doubled, reducing the amount of social tax contributions. It is predicted that the current policies of funding healthcare are not sustainable and in 2025, the costs of Health Insurance Fund will overweigh the income tax (Ministry of Social Affairs, 2021).



which directs users to the Health Insurance Fund web portal for further details. For every individual who has health insurance there is a personal patient portal (*digilugu*)<sup>5</sup> where individualised information is recorded and available for overview. The Health Insurance Fund has free online and print-out guides (available in Estonian only) that explain the sickness and healthcare benefit system in detail. A survey by Kantar Emor in 2020 showed that more than half of the population looked for information about sickness benefits on the web portal eesti.ee, with an increase since 2015 (from 41% to 58%). Nationwide e-health services include e-prescriptions, e-consultations, e-referral letters, e-ambulance, digital health records, and nationwide picture archiving and communication systems. The use of the e-health portal also increased from 47% in 2019 to 62% in 2020 (the share of people who had visited the patient portal at least once). This has probably increased even further as the patient portal has been central for COVID-19 test results in recent years.

Currently, there is no readily available information about the accessibility of information on healthcare and sickness benefits for people with disabilities.

With regards to the COVID-19 pandemic, an additional website (*kriis.ee*)<sup>6</sup> centralised information about sickness benefits.

### **1.1.1.3 Maternity and equivalent paternity benefits**

There are three types of family benefits in Estonia: childbirth allowance, child allowance and shared parental benefits. General information about maternity and equivalent paternity benefits is listed on the website of the Social Insurance Board<sup>7</sup> (a government institution responsible for administering and implementing social security and welfare legislation). The website directs users to a self-service portal where, after logging in with a national ID, people can access information about benefits that are available to them personally. The various parental benefits (including maternity and paternity benefits) are the only type of social protection benefits assigned pro-actively. This means that the benefits are assigned automatically once a parent has registered their child on the population register, without the recipient having to complete an application process. Instead, the Social Insurance Board sends an offer to the recipient, which can be reviewed on the self-service website.

### **1.1.1.4 Invalidity benefits**

Information on invalidity benefits is available on public service websites, including eesti.ee, and on the websites of the Ministry of Social Affairs, Social Insurance Board, Health Insurance Fund and Unemployment Insurance Fund. Information and advice on invalidity benefits are also accessible at local government social services consultation appointments (sub-national policy competency) as well as Unemployment Insurance Fund consultation appointments, both online and in person.

### **1.1.1.5 Old-age benefits and survivors' benefits**

The Estonian pension system consists of three main schemes: state pension insurance (statutory pension scheme, a pay-as-you-go system); a statutory funded pension scheme (a defined-contribution – DC – scheme); and supplementary funded pension schemes (DC schemes), including occupational pension schemes.

The main tool for providing information is the online “Pension Centre” web portal (*Pensionikeskus*)<sup>8</sup>. The Pension Centre provides general information about the system (how pensions are calculated etc.) and related rights and duties. It also features a pension calculator, a tool that can provide simulations of future benefit entitlements when relevant

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<sup>5</sup> <http://www.digilugu.ee>

<sup>6</sup> <http://www.kriis.ee>

<sup>7</sup> <https://www.sotsiaalkindlustusamet.ee/en>

<sup>8</sup> <http://www.pensionikeskus.ee>

parameters are entered. The Social Insurance Board offers free one-off informative lectures on the pension system and pension planning, available on request for individuals or teams.

#### **1.1.1.6 Benefits in respect of accidents at work and occupational diseases**

General information about benefits in respect to work accidents and occupational diseases is available on the Labour Inspectorate's Working Life Portal. In 2020, the Labour Inspectorate launched a self-service website, along with other updates to the Working Life Portal, called TEIS (funded by the European Social Fund). The self-service portal is designed to simplify communication between employers and the Labour Inspectorate. The website features a risk analysis tool to assess occupational risks at the workplace. The Labour Inspectorate also disseminates information about any changes there may have been in legislation. There are also regular campaigns and yearly conferences on welfare at work, focusing on different health and welfare topics – mainly prevention rather than information on benefits.

#### **1.1.2 General awareness-raising campaigns**

In January 2022, the Estonian Information System Authority (a government body) launched a campaign with the objective of introducing the eesti.ee web portal to the general public and encouraging the use of online services in communications with state authorities. The campaign "Keep in touch with your country!" (*Ole oma riigiga kontaktis!*) was published in press, posters and TV advertisements. There is currently no readily available information/evaluation on the impact of the campaign.

The Estonian Tax and Customs Board organises regular campaigns to inform taxpayers about their obligations and rights, and to explain the state tax system – for instance, the campaign "Keep Estonia Together!"<sup>9</sup> (*Hoia Eestit koos!*). There is no readily available information/evaluation on the impact of the campaign.

##### **1.1.2.1 Unemployment benefits**

There were no general awareness-raising campaigns specifically devoted to unemployment benefits between January 2017 and April 2022.

##### **1.1.2.2 Sickness and healthcare benefits**

There were no general awareness-raising campaigns specifically devoted to sickness and healthcare benefits between January 2017 and April 2022.

##### **1.1.2.3 Maternity and equivalent paternity benefits**

In 2019, the Social Insurance Board conducted a campaign called "Grow together!" (*Kasvage koos!*) to increase awareness of family benefits and draw attention to modifications to the system. The campaign was in the form of social media advertisements that featured stories of parents and family planners. The main partner for the campaign was a private advertisement agency. Grow together! was a follow-up to a previous campaign called "At home with dad" (*Papsiga kodus*) and continued the focus on encouraging fathers to use paternal leave and paternity benefits. There is currently no readily available information on or an evaluation of the impact of the campaign.

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<sup>9</sup> <https://hoiaaestitkoos.ee/et/>

#### **1.1.2.4 Invalidity benefits**

There were no general awareness-raising campaigns about invalidity benefits between January 2017 and April 2022.<sup>10</sup>

#### **1.1.2.5 Old-age benefits and survivors' benefits**

In 2021, participation in the statutory funded pension scheme (the second pension pillar, which is a combination of state and private funds) was made voluntary, and individuals have the choice whether to continue contributing or withdraw funds and stop contributing. Many people chose to withdraw their funds and end payments, which could potentially result in increased financial insecurity in old age. In January 2021, the "Think it through!" (*Mõtle läbi!*) campaign was launched in order to raise awareness about the pension reforms and changes to the second pillar, as well as to remind people that an application to end participation in the second pillar could still be withdrawn (see, for example, a statement by the Minister of Finance<sup>11</sup>). The awareness-raising campaign included videos on social media that directed viewers to websites providing information about pensions.<sup>12</sup> A pension calculator feature was added to the pension website, which is a tool that can provide simulations of future benefit entitlements when relevant parameters are entered. The calculator was created in collaboration with TalTech (Tallinn Technological University), Tartu University and the Office of Gender Equality and Equal Treatment Commissioner, and was funded by the Rights, Equality and Citizenship Programme (2014-2020). There is currently no readily available information on or evaluations of the impact of the campaign.

#### **1.1.2.6 Benefits in respect of accidents at work and occupational diseases**

Most campaigns in this area are focused on the prevention of accidents and occupational diseases. There have been no campaigns explicitly focused on benefits in respect of accidents at work and occupational diseases.

In collaboration with the EU Information Agency for Occupational Safety and Health, the Labour Inspectorate conducted a campaign among seasonal workers in 2019. The aim of the campaign was to promote fair and healthy working conditions for seasonal workers.

Other efforts to raise awareness include the yearly "good working environment award" to highlight the best practices that other organisations could follow to develop their working environment. However, this is more a preventive measure focused on good practice and not on the awareness of benefits.

## **1.2 Policies and practices to simplify access to social protection**

This section focuses on simplification of access to social protection schemes and administrative requirements, with a view to alleviating the administrative burden and clarifying the rules. It describes the main policies and practices (including structures/tools) that are aimed at simplifying access to the social protection schemes available for workers and the self-employed.

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<sup>10</sup> Before 2017, with regards to the work ability reform, general awareness campaigns about the changes in the system included information days around the country, an informational website about work ability reform and informational videos. Due to controversy around the changes in assessing work ability, the theme and simplifications were covered numerous times in mainstream media between 2013 and 2017. Subsequent campaigns since 2017 have been targeted at the public and employers, with the aim to reduce stigma and barriers individuals with reduced work ability may face in the workplace – see, for example, the 2019 campaign called "Don't worry" (*Ära põe*<sup>10</sup>) at [www.tegijad.ee](http://www.tegijad.ee).

<sup>11</sup> Mõtle läbi: pensioni teisest sambast lahkumisavalduse saab tagasi võtta juuli lõpuni, 5 July 2021: <https://raha.geenius.ee/rubriik/uudis/motle-labi-pension-i-teisest-sambast-lahkumisavalduse-saab-tagasi-votta-juuli-lopuni/>.

<sup>12</sup> [pension.sotsiaalkindlustusamet.ee](http://pension.sotsiaalkindlustusamet.ee); [pensioniplaan.ee](http://pensioniplaan.ee); [pensionikeskus.ee](http://pensionikeskus.ee)

### **1.2.1 Simplification objective embedded in reforms of social protection schemes**

The purpose of this section is to identify and analyse simplification objectives embedded in reforms of social protection schemes (i.e. where the **stated objective** was to simplify access to social protection schemes available for workers and/or the self-employed).

#### **1.2.1.1 Unemployment benefits**

An amendment to the Employment Services and Benefits Act in 2020 allows individuals to engage in short-term work while maintaining unemployment benefits.

Previously, an individual would have to terminate their registration as unemployed to take on any short-term temporary work, such as a one-time paid lecture or covering a shift for a former colleague. After completing the “*workbit*”, an individual would then have to reregister as unemployed in order to continue receiving benefits. According to Unemployment Insurance Fund, this was considered cumbersome and complicated. In addition to that, individuals tended to refuse temporary jobs in order to remain registered as unemployed and not lose benefits and health insurance. The amendment allows individuals to maintain in the unemployed status (and keep benefits) on the condition that the period of an employment contract is less than 8 days, thus simplifying access to social protection.

#### **1.2.1.2 Sickness and healthcare benefits**

There were no simplification objectives embedded in sickness and healthcare benefits reforms between January 2017 and April 2022.

#### **1.2.1.3 Maternity and equivalent paternity benefits**

In addition to maternity and equivalent paternity benefits, parents in Estonia are entitled to shared parental benefits. Although maternity and equivalent paternity benefits are the individual rights of each parent, in the case of shared parental benefits it is up to the parents to decide between themselves, who will receive them. Changes in the parental benefit and parental leave system in 2022 make the system more flexible for parents. Previously, parents were only able to decide which parent would receive the shared parental benefits on the 71<sup>st</sup> day following the child’s birth. Since the reform in April, parents can decide on the 31<sup>st</sup> day following the child’s birth. Fathers therefore now have the opportunity to access parental benefits earlier.

#### **1.2.1.4 Invalidity benefits**

The “work ability reform” that was implemented in 2016 was mostly aimed at simplifying the application procedure and management of invalidity benefits (see also Section 1.2.2.4 below). One of the aims was to make access to the benefits easier by combining administrative procedures into one organisation – the Unemployment Insurance Fund. This means that the evaluation of work ability and activation measures are combined in one institution, making access to the benefit and various activation support measures more convenient for recipients. Due to the reform, the activity of people with reduced work ability has grown – including participation in the labour force, registration with the Unemployment Insurance Fund, participation in active measures and searching for a job. The proportion of people with reduced work ability who were registered with the Unemployment Insurance Fund increased from 3.6% in 2014 to 13.1% in 2017.

#### **1.2.1.5 Old-age benefits and survivors’ benefits**

There were no explicit simplification objectives in old-age benefits or survivors’ benefits reforms between January 2017 and April 2022.

### **1.2.1.6 Benefits in respect of accidents at work and occupational diseases**

There were no explicit simplification objectives in reforms between January 2017 and April 2022.

### **1.2.2 Simplification of the application process for accessing benefits**

The purpose of this section is to identify and analyse simplifications of the application process for accessing social protection benefits.

From 2019, small entrepreneurs were able to open an entrepreneur bank account. The account allows informal workers, freelancers and others to easily track their income and taxes, without having to separately register as an entrepreneur or keep track of their income and expenditure. The bank managing the entrepreneur account collects taxes and forwards the correct sums to the Health Insurance Fund and Pension Fund. The account is for entrepreneurs who *“provide services to other natural persons in the areas of activity that do not involve any direct expenses, or for a person who sells self-produced goods or handicraft goods or the goods with low costs of materials or acquisition”*, or who provide services that do not require costs (e.g. babysitting, gardening, housekeeping). The account does not allow for the deduction of costs, so for people with costs that comprise a large part of the sales price this account is not suitable. Barrio and Schoukens (2017, p. 88) describe the reform as *“an interesting example of the interplay between a private institution (bank) and the state; income taxes and social contributions are namely collected at source. This leads to more transparency on both sides, as well as a simplification for the entrepreneurs themselves”*.

#### **1.2.2.1 Unemployment benefits**

Individuals can register as unemployed and apply for benefits through the e-services on the Unemployment Insurance Fund website. Annual monitoring reports of customer satisfaction show a continual increase in the number of users who apply online and a fall in those who use the traditional pen-and-paper method. The percentage of respondents who reported being satisfied with the ease of use and efficiency of e-services increased from 52% in 2018 to 68% in 2021 (Turu-uuringute AS, 2021).

#### **1.2.2.2 Sickness and healthcare benefits**

Accessing sickness and healthcare benefits for the self-employed is simplified by the entrepreneur account policy (see also Section 1.2.2 above).

#### **1.2.2.3 Maternity and equivalent paternity benefits**

From 1 April 2022, all types of maternal and paternal benefits will be administered by the Social Insurance Board. Previously, to receive benefits, parents had to communicate separately with the Health Insurance Fund (for childbirth allowance) and the Social Insurance Board (for other allowances).

#### **1.2.2.4 Invalidity benefits**

The social protection related to invalidity has recently undergone large structural changes under the work ability reform that began in 2016. The aim of the reform was to reduce the amount of state funding going on invalidity benefits, to better integrate disabled people in society and the labour market, and to improve the economic welfare of disabled people. The work ability reform included a paradigmatic shift in how disability is perceived: instead of *invalidity benefits* (sums of money paid to individuals passively) to all disabled people, recipients are individually assessed according to their ability to work, and in the case of partial work ability they are offered a *work ability allowance* (a conditional allowance that requires activity such as studying or looking for work) as well as support that includes services (such as rehabilitation, individual counselling, and the provision of assisting equipment) in addition to the allowance.

The objective of simplifying access to social protection included in the work ability reform was to reduce the fragmentation of administrative processes for accessing invalidity benefits and support. Applications for benefits, assessment of work ability and access to support services were associated with one institution – the Estonian Unemployment Insurance Fund (previously services and benefits were also administered by the Health Insurance and Social Insurance Boards). This relates invalidity benefits to job-search and work-related support services, promoting social and labour market integration. This means that if an individual wishes to have their ability to work and their disability assessed, they can do both through the Unemployment Insurance Fund and do not have to communicate separately with the Health Insurance Fund. In relation to the COVID-19 pandemic in 2020, the benefits were extended automatically, and reassessment was not obligatory.<sup>13</sup>

According to a study evaluating the success and impact of the work ability reform, some administrative processes are still shared between the Social Insurance Board and the Unemployment Insurance Fund, and access to benefits and support services remains somewhat fragmented (Masso *et al.*, 2019).

### **1.2.2.5 Old-age benefits and survivors' benefits**

In 2020 a home delivery service for pension benefits became available. Starting from February 2022, the cost of home delivery of pension benefits was lowered from €8.10 to €6.70. For individuals with mobility problems or who struggle to access bank services, delivery is free.<sup>14</sup>

### **1.2.2.6 Benefits in respect of accidents at work and occupational diseases**

There were no simplifications in the application process of benefits in respect of accidents at work and occupational diseases between January 2017 and April 2022.

## **1.2.3 Simplification of the structures within the social protection administration**

This section focuses on the main policies and practices that seek to simplify the structures within the administration of social protection (i.e. not necessarily changing existing structures fundamentally).

### **1.2.3.1 Unemployment benefits**

The administration of unemployment benefits has been increasingly digitalised, and most Unemployment Insurance Fund services are managed with information technology tools. In 2015-2020, a new digital platform of the fund was built, with the aim of speeding up the application procedure and increasing the number of online applications. This included creating a central insurance period calculation module and automated procedures for unemployment benefit processes. The system automatically checks the validity of the data, makes necessary inquiries to various databases and decides whether the applicant qualifies for the allowance, as well as on the time period and amount of the benefit. A significant tool in simplifying the administration process is the digital stamp, or e-Stamp. The e-Stamp is a form of digital signature designed for legal persons. E-stamps are used to certify legal documents and confirm that the respective institution is linked to a specific digital document and that the document has not been changed.<sup>15</sup> Whereas previously a member of the board had to confirm the decision package related to applicants manually with a

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<sup>13</sup> Puude kestust pikendati eriolukorra ajal automaatselt, 1 June 2020:

<https://www.sotsiaalkindlustusamet.ee/et/uudised/puude-kestust-pikendati-eriolukorra-ajal-automaatselt>.

<sup>14</sup> Pensionide, toetuse ja hüvitiste kojukanne muutub soodsamaks, 2 November 2021:

<https://sotsiaalkindlustusamet.ee/et/uudised/pensionide-toetuse-ja-huvitiste-kojukanne-muutub-soodsamaks>.

<sup>15</sup> Digital stamping: <https://www.id.ee/en/article/digital-stamping-2/>.

digital signature (log in with their personal ID and go through the process of signing in), since 2020 it can be confirmed automatically with the e-Stamp of the institution. In 2020, nearly 50% of all decisions regarding the unemployment insurance benefit were fully automated.<sup>16</sup>

### **1.2.3.2 Sickness and healthcare benefits**

See Section 1.2.2.2 for a simplification practice for the self-employed.

### **1.2.3.3 Maternity and equivalent paternity benefits**

As mentioned in Section 1.2.1.3, the system of parental benefits has been restructured to make a clearer distinction between paternal and maternal benefits, as well as centralising the provision of the benefits.

### **1.2.3.4 Invalidity benefits**

During the work ability reform, a new information system was created in order to facilitate data circulation and exchange between the different parties involved in the work ability assessment. The aim was to simplify the administration process and reduce time spent on gathering relevant information. However, an impact assessment study of 2020 found that although in general the data exchange between different parties works well, dealing with problems regarding the quality of data and data capture are time-consuming (Masso *et al.*, 2019).

### **1.2.3.5 Old-age benefits and survivors' benefits**

There was no simplification of the structures within the social protection administration between January 2017 and April 2022.

### **1.2.3.6 Benefits in respect of accidents at work and occupational diseases**

There was no simplification of the structures within the social protection administration between January 2017 and April 2022.

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<sup>16</sup> Renewal of the Estonian Unemployment Insurance Fund's information system, 12 February 2020: <https://finestmedia.ee/en/2020/02/12/renewal-of-the-estonian-unemployment-insurance-funds-information-system/>.

## **2 Issues, debates and ongoing or planned reforms to ensure information on, and to simplify access to, social protection for workers and the self-employed**

Section 2 focuses on issues and debates as well as ongoing or planned reforms, if any, aimed at ensuring information on, and simplifying access to, social protection for workers and the self-employed.

### **2.1 Issues, debates and reforms related to information**

The purpose of this section is to briefly report on issues, debates and ongoing or planned reforms in Estonia in relation to policies and practices targeted at ensuring access to general and personalised information about the six branches.

#### **2.1.1 Issues**

Overall, the Digital Society 2030 strategy (Ministry of Economic Affairs and Communications, 2021) brings out the fact that online public services and websites are designed and developed based on different strategies and style. This makes it difficult for users to navigate between different portals and websites and find information on where to turn to when there is a need to communicate with the state. The strategy emphasises that digital communication with the state requires a good level of digital literacy, but that the services and information should be easily understandable and available for people with different levels of digital literacy.

One issue regarding the digitalisation of communication and public services that has been highlighted is the digital divide (Ministry of Social Affairs, 2020). Since the users of the digital services currently in development will most likely include older and disabled people (or informal carers of disabled people, who haven't attained digital competences through work), it is important to turn attention to digital competency throughout different stages of life. It is also outlined that, among technology users, barriers to using digital services can also include low motivation to try new technologies and limited internet access in some geographical areas (Ministry of Social Affairs, 2020). The Unemployment Insurance Fund e-service portal and individual information are accessible to job-seekers by logging in with a national ID. A report has drawn attention to the fact that not all clients of the Unemployment Insurance Fund have an ID card or access to a mobile ID, so the use of parallel paper documentation must be retained in order to ensure equal access (Pappel *et al.*, 2017).

Regarding access to invalidity benefits, a study of the impact of the work ability reform of 2016-2021 concludes that it was "*an appropriate and effective measure that had a positive effect on the employment growth of people with reduced work ability*" (Kallaste *et al.*, 2022).<sup>17</sup> However, one issue related to information is that services and support for people with partial work ability are provided by a variety of schemes and institutions, so finding relevant information may be complicated. Communication and inter-agency co-operation could be improved to simplify access to support. The research study also found some issues with the application process. For instance, the assessment process was reported by recipients to be too long and complicated, while the basis for the assessment was criticised for lacking transparency. People with long-term, untreatable health conditions reported the obligation to be reassessed repeatedly as "pointless" and "humiliating". Some participants found it unfair that the benefit depends on income, saying that the benefit sum is used to cover health-related costs that do not depend on income (*ibid.*).

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<sup>17</sup> Notably, the study found that negative attitudes of employers towards individuals with reduced work ability remain a concern.



Regarding old-age benefits, a financial literacy survey funded by the Ministry of Finance in 2019 indicated the pension second pillar to be the second most difficult financial topic after cryptocurrency. It was also pointed out that the share of people who did not find that financial services had become clearer and more understandable was highest among the 60-80 age group (Turu-uuringute AS, 2019). There are no more recent awareness studies on financial literacy to evaluate whether there have been any changes after the reform of the second pension pillar and the related awareness campaign in 2021 (see Section 1.1.2.5).

### **2.1.2 Debates**

There have been no public debates on access to information on social protection benefits recently. The technological developments have mostly occurred without wide public discussion. It is characteristic of Estonia that most public services are online – the usage of digital public services is the highest in EU at 93% (DESI, 2021). This means that most public services are digitalised one way or another. The next step is therefore the improvement of information on those public services, and making it more accessible to groups with different backgrounds and digital literacy levels (Ministry of Economic Affairs and Communications, 2021).

The initial proposal for the Welfare Development Plan 2023-2030 makes reference to prioritising accessibility to information in the welfare system. For instance, an aim is set to simplify the process of assessing the need for support among people with disabilities, and offering benefits and services to the target group. The aim is to match the benefits and services offered with the real needs of the target group and to prevent cases where people fall between different systems and fail to get the help they need (e.g. transferring from childhood to adulthood, from education to employment or from healthcare to the welfare system). This refers to the need for a smooth transition between different systems, better integration of benefits and services, and better transfer of data between different public service-providers and different systems, in order to make sure that people find the support and information they need from one place.

### **2.1.3 Ongoing or planned reforms**

As the development and accessibility of (online) public services has been prioritised for the upcoming period, the topic is on the agenda of several development plans in Estonia.

For instance, plans to renew the patient portal – a source of individualised health information – have been outlined (Merimaa and Vanker, 2020), with a view to improving its functionality. This would involve using the patient portal as an information point, including adding an overview of prescribed assistive equipment for people with disabilities, overviews of work ability assessments and the related documentation, and adding automatically generated recommendations for public services that are relevant to the specific user with links to necessary service-providers and/or additional information (*ibid.*). The development of the portal is planned in several stages starting from 2021, with the final stage starting in 2024 (*ibid.*). This is in line with the Public Health Development Plan 2020-2030 (Ministry of Social Affairs, 2018), which sets the aim of empowering people in the health system by implementing a personalised approach. This includes developing methods and tools to increase people's awareness and their ability to monitor and improve their own health, and to ensure access to easily understandable health information to support the ability to navigate the health system and reach the help needed in the best possible way.

The need to improve integration of public services was also highlighted in the Digital Society 2030 strategy (Ministry of Economic Affairs and Communications, 2021). Specific activities included, for instance, developing common design principles for public services, developing event-based public services (e.g. in case of a specific life event, respective public services will be offered pro-actively and should be available from one place and all

together) and widening the use of artificial intelligence in public services for improving communication with the state and offering public services.

## **2.2 Issues, debates and reforms related to simplification**

The main focus of this section is on issues, debates and ongoing or planned reforms in Estonia in relation to simplification of access to the six branches.

### **2.2.1 Issues**

Issues regarding access to social protection in the context of digitalised public services are mainly related to the user experience and criticism of the quality and efficiency of e-services. The National Audit Office of Estonia (2019) has suggested that software solutions often do not correspond to the needs of all user groups (e.g. the mapping of user groups has been limited or the needs have not been studied prior to the software development). In the process of state software development projects, the user satisfaction and ease of use of systems was not always evaluated. The National Audit Office suggests that feedback from users should be gathered regularly once a year.

Similarly, a problem identified in the Digital Society 2030 (Ministry of Economic Affairs and Communications, 2021) development programme was that the ease of use and efficiency of services is not up to standards, user expectations or best practice, and the clumsiness of processes limits the value of digitalisation. One issue identified for the state, local municipalities and private services alike is fragmentation of services. Services are currently not logically based around the life events of users (such as birth of a child, marriage, founding a company), and necessary procedures and information on one event are instead offered in a variety of separate channels. This makes it difficult for the user to understand where to find relevant information or how to use a particular service. Another issue is that public services are often offered at the user's request and application, rather than automatically. As a result, the user often has to provide the same information through different channels multiple times. At the same time, in most cases, state databases actually have all the relevant information needed to offer a service or benefit to the user pro-actively. Until now, only family benefits have been offered pro-actively (as described in Section 1.1.1.3).

### **2.2.2 Debates**

Social partners have argued for simplification of social benefits, particularly the unemployment insurance system. In a proposed reform of 2022, the Estonian Employers' Confederation (a social partner) has suggested that the parallel system of unemployment insurance benefit and unemployment benefit as two separate benefits with slightly different conditions contributes to confusion and should be simplified.<sup>18</sup>

### **2.2.3 Ongoing or planned reforms**

Ongoing or planned reforms regarding the simplification of access to social protection are related to improved digitalisation. For instance, within the framework of the National Health Insurance Fund's development plan of 2020-2023, digitalisation of health services is envisaged. This includes, for instance, motivating general practitioners to use more e-consultations, improving secure access to patient databases for partners, and requiring the use of digital tools by partnering private health service providers in order to ensure efficient communication.

The Digital Society 2030 strategy (Ministry of Economic Affairs and Communications, 2021) sets a goal of increasing user satisfaction with e-services among private persons and

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<sup>18</sup> Avalda arvamust: töötuskindlustuse põhimõtete muutmine, 30 January 2020: <https://www.employers.ee/uudised/avalda-arvamust-tootuskindlustuse-pohimotete-muutmise/>.

entrepreneurs. To achieve this goal, one measure is to make a transition towards event-based and pro-active public services. This means that services are built around a specific life event (e.g the birth of a child) and all relevant procedures operate from one gateway, as one consistent service. The complicated workings of state institutions (such as the collaboration and data capture between different state institutions) would be invisible/unnoticeable to the user.

## **2.3 Suggestions for improvements**

The different levels of digital skills and internet access across the population need to be kept in mind. In particular, digitalisation of public services needs to go hand in hand with measures to provide the basic skills and knowledge to use online public services, and setting up the contact points in case support or assistance is needed.

Financial literacy and its differences across the population need further attention, particularly in the light of planning for retirement and the related use of financial services, including voluntary pension schemes – given their relevance for future income.

The accessibility of online public services and the development of further pro-active public services based on life events is envisaged in different government action plans. It will be important to keep this a priority in order to support the use of public measures for people with different digital skills levels and improve access to public services from one place.

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