Workers
I am an Indian national working in Estonia, who lost the job because of the Covid pandemic. Am I entitled to any unemployment benefits?

Unemployment insurance benefits are paid to legal residents of the EU. To receive an unemployment insurance benefit, unemployment insurance contributions must have been paid for at least 12 months of the previous 36 months. A legal resident of the EU has the right to apply for an unemployment insurance benefit from the country where he or she last worked and paid taxes. The period of time that a person has worked and paid unemployment insurance contributions in other EU countries is considered when deciding whether and how long a person is entitled to receive the unemployment insurance benefit. The sum of benefit paid by Estonia is calculated on the basis of the wages earned in Estonia. **Therefore as long as an Indian national has a legal residence permit, they will be entitled.**

If you do not meet conditions to receive an unemployment insurance benefit, or if you have exhausted your rights to a benefit, you may qualify for the state unemployment allowance (164,61 EUR in a month) paid for a maximum period of 270 days.

Application and Grant of unemployment insurance benefit:
https://www.tootukassa.ee/eng/content/subsidies-and-benefits/application-and-grant-unemployment-insurance-benefit


For details: https://www.euraxess.ee/estonia/information-assistance/taxation-unemployment-and-pensions-estonia/unemployment-estonia

I am Indian student pursuing higher education in Estonia. I have a part-time job. Due to the coronavirus outbreak, I lost my part-time job. Am I eligible for benefits?

If you are a student, have just finished your studies, and are entering the labour market for the first time, a waiting period applies for you to receive unemployment allowance. Payment of allowance will start after two months after you applied for it.
To qualify, the claimant must have been a student for at least 180 days during 12 months preceding the claim.

For details https://www.tootukassa.ee/eng/content/financial-benefits/unemployment-allowance

**Government action to help workers affected by Covid-19**
Employers may apply to the Unemployment Insurance Fund for two months'-worth of compensation, for a period of their choice starting between March 1 and May 31 and through to June 30. The benefit can be paid to any employee whose volume of work or whose salary has been cut by at least 30%. The compensation will be based on 70% of the employee's average gross salary of 2019, but will not exceed €1,000 in a month. The employer must also pay the employee a gross salary of at least €150 in a month over the same period. The measure will apply retroactively from March 1 to May 31, but the compensation may be claimed for up to two months' salary for the period chosen by the employer within that three month period. This means employees who have already received notice their redundancy as of March 1 are included.

**Employees' legal rights during Covid-19**

**Employees' pay**
Employees returning from a high-risk country without symptoms of the coronavirus will not be granted preventive sick leave. In this case, the employer may ask employee to work from home by providing full pay for the entire time the employee is working from home. If working from home is not possible because of the nature of the work or because the employee does not agree to work from home, the parties may agree on paid or unpaid vacation. However, an employer does not have the right to impose such a vacation unilaterally (unless the paid vacation was scheduled for the respective period in the holiday schedule prepared for the calendar year and communicated to the employees before 31 March 2020).

Employees showing symptoms of the coronavirus will be granted sick leave by a doctor. Sick leave may also be granted if employee has had direct contact with a person with coronavirus. The first three days of illness are unpaid. Sickness benefit is paid by the employer from days four to eight. From day nine, the Health Insurance Fund pays.

**Reduced pay**
Based on the Employment Contracts Act, the employer may reduce an employee’s pay for up to three months over a period of 12 months if, due to unforeseen economic circumstances beyond the employer's control (e.g. arising due to the coronavirus), the employer cannot provide the employee with the agreed amount of work and payment of the agreed remuneration would be an unreasonable burden on the employer. The remuneration may be reduced to a reasonable extent, but not below the minimum wage established by the Government of the Republic (584 euros per month or 3.48 euros per hour). An
employee has the right to refuse to perform work in proportion to the pay reduction.

Before reducing pay, the employer must offer the employee other work (including work that can be done remotely) if possible and also inform the trustee or, in his or her absence, the employees and consult them pursuant to the procedure provided for in the Employees' Trustee Act. An employer must provide notice of a pay reduction at least 14 calendar days in advance. The trustee or the employee must give his or her opinion within seven calendar days of receiving of the employer's notice.

An employee has the right to terminate his or her employment contract upon a pay reduction, notifying the employer five working days in advance. Upon the termination of an employment contract, the employee is entitled to compensation in the amount of one month’s average salary of the employee. In addition, the employee is entitled to a benefit under the conditions and pursuant to the procedure prescribed in the Unemployment Insurance Act.

Extraordinary termination of employment contract due to economic reasons (lay-off)
An employer may extraordinarily terminate an employment contract if the continuance of the employment relationship under agreed conditions becomes impossible due to a decrease in work volume or reorganisation of work or other cessation of work, including as a result of coronavirus. If an employer decides to extraordinarily terminate an employment contract due to economic reasons resulting from coronavirus, general lay-off regulation stipulated in Employments Contract Act applies.

Employers and entrepreneurs

Government changes to legislature to help companies during the crisis

The Ministry of Justice has implemented legislation that will suspend the obligation for companies to submit a petition for bankruptcy during the emergency and for a subsequent two-month period and to establish a ban on creditors for submitting a bankruptcy petition. The amendment gives companies the opportunity to adapt their economic activities to the situation and additional time to use the state aid measures in order to prevent the mass filing of bankruptcy petitions.

Financial aid provided by the Government to Estonian companies
Companies whose turnover and income fell sharply and whose employees have no work will be compensated for 70% of employees’ gross income for two months. Companies must participate in compensation themselves. Government amended bankruptcy regulations to enable companies adapt their economic activities and use state funding to prevent mass filing of bankruptcy petitions.

- The first support scheme will be implemented and administered by the public Foundation KredEx. It will be open to all companies, subject to certain exceptions defined by Estonia (for example excluding certain activities or
companies active in sectors such as agriculture, tobacco, cloning and genetic modification). For more information, visit https://www.kredex.ee/en/koroona

The second scheme will be implemented and administered by the public Estonian **Rural Development Foundation**. It will be open to companies in all sectors and for the whole territory of Estonia. For more information, visit https://mes.ee/en

Under both schemes, the support will consist either public guarantees on existing or new loans or in granting of loans at favourable terms to help businesses cover immediate working capital or investment needs.

**Sources of financial aid for different sized companies:**
The criteria of measures and conditions of application will be made public by Enterprise Estonia when the aid package is approved by the Government.

**Support and services for startups**
Estonian companies and startups such as Pipedrive, Xolo and Scoro, have been offering digitised sales, customer service, and business management services to companies in Estonia and all over the world. One hackathon gave birth to **Share Force One**, a platform that connects companies whose employees are out of work with companies in need of additional workforce. For details https://shareforceone.ee/en/

**Useful links - business promotion agencies**


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