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Social Tax Act

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RT I 2000, 102, 675

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Amended by the following acts

Passed	Published	Entry into force
15.05.2001	RT I 2001, 50, 285	01.07.2001
13.06.2001	RT I 2001, 59, 359	01.01.2002, in part 01.01.2003
12.09.2001	RT I 2001, 79, 480	01.07.2002
24.10.2001	RT I 2001, 91, 544	01.01.2002
14.11.2001	RT I 2001, 95, 587	01.01.2002
15.05.2002	RT I 2002, 44, 284	01.07.2002
19.06.2002	RT I 2002, 62, 377	01.10.2002
11.12.2002	RT I 2002, 111, 662	01.01.2003
10.12.2003	RT I 2003, 82, 549	01.01.2004
17.12.2003	RT I 2003, 88, 587	01.01.2004
17.12.2003	RT I 2003, 88, 591	01.01.2004
14.04.2004	RT I 2004, 37, 252	01.05.2004
18.11.2004	RT I 2004, 84, 568	01.01.2005
08.12.2004	RT I 2004, 89, 604	01.04.2005
27.01.2005	RT I 2005, 9, 34	09.02.2005, amendments applied retroactively as of 01.01.2005
06.04.2005	RT I 2005, 22, 148	01.01.2006
20.04.2005	RT I 2005, 25, 193	01.07.2005
20.06.2005	RT I 2005, 36, 277	01.01.2006
28.09.2005	RT I 2005, 54, 430	01.01.2006
12.10.2005	RT I 2005, 57, 451	18.11.2005
26.01.2006	RT I 2006, 7, 41	13.02.2006
10.05.2006	RT I 2006, 26, 193	01.01.2007
31.05.2006	RT I 2006, 28, 208	01.07.2006, in part 01.01.2007
07.12.2006	RT I 2006, 61, 459	01.01.2007
07.12.2006	RT I 2006, 61, 459	01.01.2008
07.12.2006	RT I 2006, 61, 459	01.01.2009
14.06.2007	RT I 2007, 44, 316	14.07.2007
31.01.2008	RT I 2008, 8, 57	01.03.2008
04.12.2008	RT I 2008, 58, 323	01.01.2009
10.12.2008	RT I 2008, 58, 327	02.01.2009
17.12.2008	RT I 2008, 58, 329	01.03.2009
11.12.2008	RT I 2008, 60, 331	01.01.2009
17.12.2008	RT I 2009, 5, 35	01.07.2009
28.01.2009	RT I 2009, 11, 67	01.05.2009
20.02.2009	RT I 2009, 15, 93	01.07.2009
14.05.2009	RT I 2009, 26, 161	28.05.2009, in part 01.07.2009, part of amendments applied retroactively as of 1 May 2009
26.11.2009	RT I 2009, 62, 405	01.01.2010

16.12.2009	RT I 2010, 1, 2	01.01.2012, entry into force on the starting date of authority of XII composition of the Riigikogu, date of entry into force amended 01.01.2012; date of entry into force amended 01.01.2013 [RT I, 28.12.2011, 1]; date of entry into force amended 01.01.2014 [RT I, 29.12.2012, 1]
22.04.2010	RT I 2010, 22, 108	01.01.2011, entry into force on the date which has been determined in the Decision of the Council of the European Union regarding the abrogation of the derogation established in respect of the Republic of Estonia on the basis provided for in Article 140 (2) of the Treaty on the Functioning of the European Union, Council Decision 2010/416/EU of 13 July 2010 (OJ L 196, 28.07.2010, pp 24-26).
17.06.2010	RT I 2010, 38, 232	01.07.2010
20.10.2010	RT I, 18.11.2010, 1	01.01.2011
08.12.2010	RT I, 28.12.2010, 6	01.01.2011
20.01.2011	RT I, 04.02.2011, 2	14.02.2011
07.12.2011	RT I, 28.12.2011, 1	01.01.2012
14.06.2012	RT I, 02.07.2012, 8	01.08.2012
13.06.2012	RT I, 06.07.2012, 1	01.04.2013 in the Act, the words "public servant" was replaced by the word "official"
13.06.2012	RT I, 10.07.2012, 2	01.04.2013
10.10.2012	RT I, 25.10.2012, 1	01.12.2012
12.12.2012	RT I, 29.12.2012, 1	01.01.2013, in part 01.04.2013 and 01.07.2013
15.05.2013	RT I, 01.06.2013, 1	01.07.2013
20.11.2013	RT I, 13.12.2013, 1	01.01.2014
11.12.2013	RT I, 23.12.2013, 1	01.01.2014
18.12.2013	RT I, 10.01.2014, 2	20.01.2014, in part 01.01.2015
01.07.2014	RT I, 11.07.2014, 5	01.01.2015
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the titles of ministers substituted in accordance with subsection 4 of § 107 ³ of the Government of the Republic Act.
19.11.2014	RT I, 05.12.2014, 2	01.09.2015
19.11.2014	RT I, 13.12.2014, 1	01.01.2016 - date of entry into force amended to 01.07.2016 [RT I, 17.12.2015, 1]
18.02.2015	RT I, 19.03.2015, 2	29.03.2015
15.06.2015	RT I, 30.06.2015, 1	01.01.2016, in part 01.01.2017 and 01.01.2018 – omitted [RT I, 24.12.2016, 1]
25.11.2015	RT I, 17.12.2015, 1	20.12.2015, in part 01.01.2016 and 01.07.2016
25.11.2015	RT I, 17.12.2015, 2	01.01.2016
09.12.2015	RT I, 30.12.2015, 5	01.01.2016, in part 01.07.2016
16.03.2016	RT I, 06.04.2016, 1	01.05.2016, in part 01.01.2017 and 01.01.2018
15.06.2016	RT I, 08.07.2016, 1	01.01.2017, in part 01.07.2017
23.11.2016	RT I, 07.12.2016, 1	17.12.2016
19.12.2016	RT I, 24.12.2016, 1	01.01.2017, in part 01.01.2018
14.12.2016	RT I, 27.12.2016, 4	01.01.2018
07.06.2017	RT I, 26.06.2017, 1	06.07.2017
19.06.2017	RT I, 07.07.2017, 2	01.01.2018
15.11.2017	RT I, 28.11.2017, 2	01.01.2018
13.12.2017	RT I, 28.12.2017, 74	01.01.2018

17.10.2018	RT I, 26.10.2018, 1	01.04.2022, in part 05.11.2018; amended in part [RT I, 31.03.2022, 1]
21.11.2018	RT I, 07.12.2018, 1	17.12.2018, in part 01.01.2019
12.12.2018	RT I, 03.01.2019, 1	01.01.2021
13.02.2019	RT I, 04.03.2019, 1	01.07.2020 – entry into force under subsection 3 of Article 4 or subsection 3 of Article 9 of Council Regulation (EU) 2015/1589 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union [OJ L 248, 24.09.2015, pp 9-29) on 1 January of the year following the European Commission decision. In case the European Commission takes a decision after 1 October of the calendar year, it enters into force on 1 January of the year following the year of the European Commission decision; entry into force amended in part [RT I, 28.02.2020, 2]
18.12.2019	RT I, 19.12.2019, 27	18.12.2019 – The decision of the Constitutional Review Chamber of the Supreme Court declares unconstitutional and invalid clause 8 of subsection 1 of § 6 of the Social Tax Act insofar as it excludes payment of social tax for a dependent registered partner of a person specified in clause 1 of subsection 2 of § 5 of the Health Insurance Act, who is raising at least one child under 8 years of age and for whom or for whose registered partner the state does not pay social tax in accordance with clause 1 or 1 ¹ of subsection 1 of § 6 of the Social Tax Act.
18.02.2020	RT I, 28.02.2020, 2	01.07.2020
15.04.2020	RT I, 21.04.2020, 1	01.05.2020, in part 01.07.2020, part of the amendments applied retroactively as of 1 March 2020.
11.03.2020	RT I, 27.10.2020, 1	06.11.2020
09.12.2020	RT I, 29.12.2020, 2	01.01.2021, in part 01.05.2021; entry into force amended in part [RT I, 21.04.2021, 1]; entry into force amended in part [RT I, 22.12.2021, 3]
14.04.2021	RT I, 17.04.2021, 3	18.04.2021
14.04.2021	RT I, 21.04.2021, 1	01.05.2021
08.12.2021	RT I, 22.12.2021, 3	01.01.2022, in part 01.01.2023
23.02.2022	RT I, 15.03.2022, 1	01.08.2022
16.03.2022	RT I, 31.03.2022, 1	01.04.2022
11.05.2022	RT I, 27.05.2022, 2	01.07.2022
28.12.2022	RT I, 11.01.2023, 1	12.01.2023, applied retroactively as of 1 January 2023; entry into force in part 01.07.2023
11.01.2023	RT I, 27.01.2023, 1	01.04.2023
15.02.2023	RT I, 07.03.2023, 5	01.01.2024
22.02.2023	RT I, 11.03.2023, 9	01.04.2023
20.06.2023	RT I, 30.06.2023, 1	01.07.2023
20.06.2023	RT I, 06.07.2023, 6	01.01.2024

§ 1. Definition of social tax

Social tax is a financial obligation which is imposed on taxpayers to receive income required for pension insurance and state health insurance and which is in accordance with the procedure, in the amount and during the terms prescribed by this Act.

[RT I 2002, 111, 662 – entry into force 01.01.2003]

§ 2. Object of tax

(1) Social tax is paid:

1) on wages and other remuneration paid to employees in money;

[RT I 2009, 5, 35 – entry into force 01.07.2009]

1¹) on wages and other remuneration paid to a crew member, who is employed on a ship flying the national flag of Estonia, or to whom applies the Estonian law in accordance with Regulation (EC) No. 883/2004 of the European Parliament and of the Council on the coordination of social security systems (OJ L 166, 30.04.2004, pp 1–123) or an international agreement concerning social security entered into by the Republic of Estonia; [RT I, 04.03.2019, 1 – entry into force 01.07.2020, entry into force amended [RT I, 28.02.2020, 2]]

2) [Repealed – RT I 2001, 59, 359 – entry into force 01.01.2003]

3) on wages and other remuneration paid to an official. For the purposes of this Act, official also means a person specified in subsection 3 of § 2 of the Civil Service Act;

[RT I, 06.07.2012, 1 – entry into force 01.04.2013]

4) on remuneration paid to a member of the management or controlling body of a legal person for the purposes of § 9 of the Income Tax Act, and to the trustee in bankruptcy and members of the bankruptcy committee in the bankruptcy proceedings of a natural person, in the case provided in clause 2 of subsection 1 of § 9 of this Act;

5) on the business income of a self-employed person for the purposes of § 14 of the Income Tax Act, after deductions relating to enterprise and permitted in the Income Tax Act have been made, taking into account the provisions of subsections 5 and 11 of this section, but annually on an amount not more than ten times the amount of the minimum monthly wages for the taxable period;

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

6) on remuneration paid to a natural person on the basis of the contract for services, authorisation agreements or contracts under the law of obligations entered into for the provision of other services in the case provided in clause 2 of subsection 1 of § 9 of this Act;

7) on fringe benefits for the purposes of the Income Tax Act, translated into cash, and on income tax payable on fringe benefits;

8) on benefits paid in accordance with the Unemployment Insurance Act, except in the case that social tax is paid in accordance with clause 7 of subsection 1 of § 6 of this Act for the person who was granted unemployment insurance benefit;

[RT I 2009, 11, 67 – entry into force 01.05.2009]

9) on remuneration which is not specified in clauses 1–4 and 6 of this subsection and which is paid in accordance with an Act or other legislation for the performance of work.

(1¹) Social tax is paid on the amounts specified in subsection 1 of this section regardless of whether the relationship on which the amounts are based is still in force at the time of making the payment.

(1²) The provisions of this Act concerning a self-employed person entered in the commercial register also apply to a notary and an enforcement agent.

[RT I, 23.12.2013, 1 – entry into force 01.01.2014]

(1³) Remuneration paid by the employer also includes the remuneration paid by a person who ordered service from the employer in accordance with § 5² of the Working Conditions of Employees Posted to Estonia Act.

[RT I, 07.12.2016, 1 – entry into force 17.12.2016]

(2) Social tax is paid on the remuneration paid to an employee or official for a particular month, but on an amount which is not less than on the monthly rate specified in § 2¹ of this Act.

[RT I 2010, 38, 232 – entry into force 01.07.2010]

(2¹) Social tax for a person who has an employment or service relationship with several employers is paid, on an amount which is at least the monthly rate specified in § 2¹ of this Act, by the employer who, upon withholding income tax, calculates basic exemption in accordance with subsections 1 and 2 of § 42 of the Income Tax Act.

[RT I 2010, 38, 232 – entry into force 01.07.2010]

(2²) In case the employer who calculates basic exemption has a certificate of the remuneration paid to the person during the taxable period by another employer, the employer may pay social tax for the specified person on the difference between the monthly rate and the remuneration paid by the other employer, but at least on the amount which the employer has paid to the person for the month. The person is required to submit to the employer who calculates basic exemption a new certificate by the fifth date of the month following the

receipt of remuneration in case the amount of remuneration paid by the other employer differs from the amount specified in the certificate submitted last.

[RT I 2010, 38, 232 – entry into force 01.07.2010]

(3) Social tax is paid on the remuneration paid to an employee or official for a particular month, but on an amount not less than the monthly rate specified in § 2¹ of this Act in proportion to the time worked during the given month, in the following cases:

[RT I 2006, 61, 459 – entry into force 01.01.2008]

1) for an employee who refused to do work on the basis specified in § 19 of the Employment Contracts Act, except for holidays without pay granted by agreement of the parties;

[RT I 2009, 26, 161 – entry into force 01.07.2009]

2) for an official whose right to exercise public authority is suspended in accordance with § 83 of the Civil Service Act, except for holidays without pay granted by agreement of the parties;

[RT I, 06.07.2012, 1 – entry into force 01.04.2013]

2¹) for a member of the Riigikogu whose authority is suspended in accordance with clauses 1 and 2 of subsection 1 of § 6 of the Status of Members of the Riigikogu Act, or

[RT I 2007, 44, 316 – entry into force 14.07.2007]

3) for an employee or official who has commenced employment or left employment within the given month.

(4) Social tax is paid on the remuneration paid to an employee or official for a particular month in the following cases:

1) [Repealed – RT I 2009, 5, 35 – entry into force 01.07.2009]

2) for an employee or official regarding whom reduced working time is applied in accordance with subsection 4 or 6 of § 43 of the Employment Contracts Act for the given month;

[RT I 2009, 5, 35 – entry into force 01.07.2009]

3) for an employee or official who is raising a child under three years of age or three or more children under 19 years of age as a parent, parent's spouse, registered partner of a parent, adoptive parent, guardian, foster parent or a person taking parental leave instead of a parent;

[RT I, 06.07.2023, 6 - entry into force 01.01.2024]

4) for an employee or official who has been specified in clause 5 of subsection 4 of § 5 of the Health Insurance Act;

[RT I, 2006, 61, 459 – entry into force 01.01.2007]

5) within up to 12 months as of the commencement of employment, for an employee or official who during 12 months before the commencement of employment was registered as unemployed for at least six months in accordance with § 8 of the Labour Market Measures Act;

[RT I, 07.03.2023, 5 – entry into force 01.01.2024]

6) for an employee or official who receives pension from the Estonian state or arising from a social security agreement or the legislation of the European Union on the coordination of social security systems (hereinafter a *person receiving state pension*) or who has been established to have partial or no work ability in accordance with the Work Ability Allowance Act (hereinafter a *person with partial or no work ability*).

[RT I, 13.12.2014, 1 – entry into force 01.07.2016, entry into force amended [RT I, 17.12.2015, 1]]

7) for local government council members.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

8) for a crew member to the extent of 750 euros per each month worked in case the remuneration has been received for employment on a ship complying with the conditions specified in subsection 5 or 6 of § 13 of the Income Tax Act. In the month of the commencement or termination of the employment relationship of a crew member or in the case specified in § 19 of the Employment Contracts Act, the remuneration is calculated in proportion to the number of days worked.

[RT I, 28.02.2020, 2 – entry into force 01.07.2020]

(5) A self-employed person pays social tax annually on the amount of at least 12-fold monthly rate specified in § 2¹ of this Act, except the following cases:

1) in the cases provided in subsections 6, 7, 8 and 10 of this section;

2) a self-employed person has been a person receiving state pension or a person with partial or no work ability during the whole taxable period;

3) a self-employed person has been a person considered equal to an insured person in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act during the whole taxable period.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(6) A self-employed person pays social tax in proportion to:

1) the number of days of registration as a self-employed person in case the self-employed person has been entered in the commercial register or deleted from the commercial register during the taxable period;

2) the number of days preceding the time of becoming a person receiving state pension or a person with partial or no work ability in case the self-employed person has become a person receiving state pension or a person with partial or no work ability during the taxable period;

3) the number of days following the termination of the status of a person receiving state pension or a person with partial or no work ability in case the right of the self-employed person to receive a state pension or the status of a person with partial or no work ability has terminated during the taxable period;

4) the number of days preceding the creation of the status of a person considered equal to an insured person in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act in case the right of the self-employed person to be a person considered equal in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act has been created during the taxable period;

5) the number of days following the termination of the status of a person considered equal to an insured person in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act in case the right of the self-employed person to be a person considered equal in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act has terminated during the taxable period.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(7) In case social tax is also paid for a self-employed person by their employer or, in accordance with § 6 of this Act, by the state, city, rural municipality or legal person, and the business income of the person is less than the 12-fold monthly rate specified in § 2¹ of this Act, the amount of social tax payable in accordance with the business income of the person may be less than the amount of tax calculated on the basis of the specified amount on condition that the total amount of social tax payable for the self-employed person by the employer or, in accordance with § 6 of this Act, by the state, city, rural municipality or a legal person, and the amount of social tax payable on the basis of the business income is at least equal to the amount of tax calculated on the basis of that amount.

[RT I, 10.01.2014, 2 – entry into force 20.01.2014]

(8) A self-employed person who, in accordance with subsection 3 of § 3 of the Commercial Code, has notified the registrar of the commercial register of the suspension of the activities or the starting date and final date of the temporary or seasonal activity, and a notary, sworn translator and enforcement agent in whose respect the same information has been communicated to the Tax and Customs Board in accordance with § 201 of the Taxation Act pay social tax in proportion to the number of days of business activities.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(9) Income received on the business account is taxed in accordance with the Simplified Business Income Taxation Act.

[RT I, 07.07.2017, 2 – entry into force 01.01.2018]

(10) A self-employed person who is temporarily incapacitated for work for the purposes of the Health Insurance Act is entitled to pay social tax in proportion to the number of days of business activities, in case the self-employed person has submitted to the Tax and Customs Board the information for the periods of their temporary incapacity for work.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(11) Social tax is calculated on the income not subject to income tax in accordance with subsection 10 of § 14 of the Income Tax Act from the business proceeds calculated on the basis of the legislation governing the charging of foreign income tax, taking into account the provisions of subsections 5³–5⁵ of § 14 of the Income Tax Act.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

§ 2¹. Monthly rate of social tax

The monthly rate providing the basis for the payment of social tax is established in the state budget for a budgetary year. The monthly rate established in the state budget may not be less than the minimum wages established by the Government of the Republic that was in force on 1 July of the year preceding the budgetary year.

[RT I 2009, 5, 35 – entry into force 01.07.2009]

§ 3. Amounts on which social tax is not imposed

Social tax is not imposed on the following amounts paid or benefits given to the persons specified in subsection 1 of § 2 of this Act:

1) payments specified in clauses 1–2³, 6 and 14 of subsection 3 of § 13 and clauses 7 and 8 of subsection 1 of § 31 of the Income Tax Act;

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

2) payments to the residents of a receiving state who are employed in foreign missions of Estonia unless otherwise provided by an international agreement;

3) sickness benefit corresponding to the conditions provided in § 12² of the Occupational Health and Safety Act, which is paid to an employee for the second until the eighth day, and which does not exceed the average wages of the employee, and the expenses incurred by the employer in order to ensure occupational health and safety of the employee arising from subsection 1 of § 13 of the Occupational Health and Safety Act;

[RT I, 11.01.2023, 1 – entry into force 01.07.2023]

3¹) compensation paid in the event of occurrence of an insured event provided in clause 1 of subsection 1 of § 51 of the Health Insurance Act, which is paid by the employer for the purposes of the Occupational Health and Safety Act to an employee who is pregnant, for the second to the eighth day of the release from the performance

of work or service duties, in addition to the sickness benefit paid by the Health Insurance Fund in accordance with clause 1 of subsection 1 of § 51 of the Health Insurance Act, and which does not exceed 30 per cent of the amount of average wages calculated in accordance with subsection 8 of § 29 of the Employment Contracts Act; [RT I, 21.11.2023, 2 - entry into force 01.12.2023]

4) payments made in accordance with § 3 of the President of the Republic Official Benefits Act, § 31¹ of the Government of the Republic Act and subsection 1 of § 62 of the Foreign Service Act; [RT I 2010, 1, 2 – entry into force 01.01.2014 (entry into force amended RT I, 29.12.2012, 1)]

5) wage compensation paid for additional holiday days and breaks for feeding a child provided in § 66 and 135 of the Employment Contracts Act and subsection 5 of § 10 of the Occupational Health and Safety Act; [RT I 2010, 38, 232 – entry into force 01.07.2010 – applied retroactively as of 1 June 2009]

6) [Repealed – RT I, 11.07.2014, 5 – entry into force 01.01.2015]

7) remuneration specified in clauses 1 and 6 of subsection 1 of § 2 of this Act paid to a non-resident by an Estonian resident for the purposes of subsections 3 and 5 of § 6 of the Income Tax Act in case the work is performed in a foreign state;

8) amounts payable to a person who is in a custodial institution on the basis of a court judgment;

9) payments made to members of the Riigikogu in accordance with §§ 30, 31, 33 and 34 of the Status of Members of the Riigikogu Act;

[RT I 2007, 44, 316 – entry into force 14.07.2007]

10) [Repealed – RT I, 10.07.2012, 2 – entry into force 01.04.2013]

11) [Repealed – RT I 2002, 111, 662 – entry into force 01.01.2003]

12) remuneration paid to non-residents who operate as self-employed persons in a foreign state and who certify that social security tax or contributions are paid on such remuneration in the foreign state;

13) amounts paid in accordance with subsection 1 of § 14 of the Health Insurance Act;

14) cost of a ration for collective catering provided free of charge to a serviceman during military training, reserve service, international military operation, on board an aircraft or warship of the Defence Forces;

[RT I, 27.01.2023, 1 – entry into force 01.04.2023]

14¹) cost of catering ensured free of charge in accordance with subsection 1 of § 47 of the Rescue Act and subsection 1 of § 72¹ of the Police and Border Guard Board Act;

[RT I, 27.05.2022, 2 – entry into force 01.07.2022]

15) payments which, in accordance with an international agreement, are not taxed in Estonia;

[RT I, 01.06.2013, 1 – entry into force 01.07.2013]

16) compensation for the uniform of a police officer payable on basis of subsection 8¹ of § 37¹ of the Police and Border Guard Act;

[RT I, 19.03.2015, 2 – entry into force 29.03.2015]

17) compensation specified in clause 17 of subsection 3 of § 13 of the Income Tax Act;

[RT I, 17.12.2015, 2 – entry into force 01.01.2016]

18) the estimated sickness benefit, calculated for the second until the eighth day and in compliance with the conditions provided in § 12² of the Occupational Health and Safety Act, which corresponds to the average income of a self-employed person per calendar day of the previous year, subject to social tax, taking into account the provisions of subsection 5 of § 2 of this Act;

[RT I, 11.01.2023, 1 – entry into force 01.07.2023]

19) the estimated compensation calculated for every second to eighth day of release from economic or professional activity on the basis of the insured event provided in clause 1 of subsection 1 of § 51 of the Health Insurance Act, which occurred to a self-employed person who is pregnant, in which case sickness benefit is also paid by the Health Insurance Fund in accordance with clause 1 of subsection 1 of § 54 of the Health Insurance Act, in case the estimated compensation corresponds to 30 per cent of the average income of the self-employed person per calendar day of the previous year, subject to social tax, taking into account the provisions of subsection 5 of § 2 of this Act.

[RT I, 21.11.2023, 2 - entry into force 01.12.2023]

§ 4. Payers of social tax

Social tax is paid by:

1) a resident legal person;

2) a natural person;

3) a non-resident who has a permanent establishment in Estonia or who makes payments specified in subsection 1 of § 2 of this Act;

4) a state, rural municipality or city agency;

5) the state, rural municipality or city in the cases specified in § 6 of this Act.

[RT I 2004, 89, 604 – entry into force 01.04.2005]

§ 5. Insurable persons

For the purposes of this Act, an insurable person is a person who has received remuneration, income or benefit specified in subsection 1 of § 2 of this Act and for whom a payer of social tax is required to pay social tax or who pays social tax for themselves, as well as a person specified in §§ 6 and 6¹ of this Act.

§ 6. Special cases of paying social tax

(1) The state or public legal person pays social tax for the following persons:

[RT I 2009, 26, 161 – entry into force 28.05.2009, applied retroactively as of 1 May 2009]

1) one parent, parent's spouse, registered partner of a parent, adoptive parent, guardian or a foster parent living in Estonia and raising a child under three years of age, to whom maternity benefit, shared parental benefit or adoptive parental benefit is paid in accordance with the Family Benefits Act, taking into account the provisions of subsections 2⁶ and 2⁷ of this section;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

1¹) one non-working parent, parent's spouse, registered partner of a parent, adoptive parent, guardian or foster parent living in Estonia, who is raising three or more children under 19 years of age living in Estonia or away from the family due to studies abroad, at least one of whom is under eight years of age, and to whom the allowance for families with many children is paid in accordance with § 21 of the Family Benefits Act, or in the event of non-payment of support, a person who has submitted a petition to the Social Insurance Board for the state to pay social tax on their behalf;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

2) a person receiving spousal or registered partnership allowance in accordance with § 67 of the Foreign Service Act and § 46 of the Civil Service Act;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

2¹) an official appointed to a post or office in a structural unit of an international defence organisation or a non-working spouse or registered partner accompanying a person in active service of the Defence Forces, who does not receive a state pension and who is not a person with partial or no work ability;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

2²) during the term of office and after the expiry of the term of office of the President of the Republic, the non-working spouse of the President of the Republic, who does not receive the state pension and is not a person with partial or no work ability;

[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force changed – RT I, 17.12.2015, 1)]

3) a conscript, a person in alternative service, or a person in reserve alternative service participating in emergency reserve alternative service;

[RT I, 27.01.2023, 1 – entry into force 01.04.2023]

3¹) a person who has become temporarily incapable for work during conscript service, reserve service, regular alternative service or reserve alternative service unless social tax is paid for the person on another basis provided in subsection 1 of § 2 of this Act or this subsection;

[RT I, 27.01.2023, 1 – entry into force 01.04.2023]

3²) a non-working spouse or registered partner accompanying a person in active service of the Defence Forces seconded to a foreign state on a long-term basis for the performance of state functions, who does not receive state pension and who is not a person with partial or no work ability;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

3³) a person who terminated the conscript service for the purposes of clause 1 of subsection 1 of § 56 of the Military Service Act, for two months as of the day of release from the conscript service, except in the case social tax is paid for the person or the person themselves pays social tax on the basis provided in subsection 1 of § 2 of this Act or another basis provided in this section or in case the person is an insured person in accordance with subsection 4 of § 5 of the Health Insurance Act;

[RT I, 27.12.2016, 4 – entry into force 01.01.2018]

4) [Repealed – RT I 2008, 58, 329 – entry into force 01.03.2009]

5) an employee of a company, non-profit association, foundation or self-employed person, who is a person with partial or no work ability, and for payment of social tax for whom the employer has submitted a corresponding application on the conditions provided in subsection 3 of this section;

[RT I, 17.12.2015, 1 – entry into force 01.07.2016]

6) a person receiving unemployment allowance in case the state does not pay social tax for them in accordance with clause 7 of this subsection;

[RT I 2006, 61, 459 – entry into force 01.01.2007]

6¹) a person registered as unemployed in accordance with § 8 of the Labour Market Measures Act in case social tax is not paid for them in accordance with clause 6 or 7 of this subsection or in accordance with clause 8 of subsection 1 of § 2 of this Act or in case the person has been granted a flexible old-age pension in accordance with the State Pension Insurance Act;

[RT I, 07.03.2023, 5 - entry into force 01.01.2024]

7) a non-working person who has participated in the elimination of the effects of a nuclear disaster, nuclear test or an accident at a nuclear power station, who does not receive state pension and who is not a person with partial or no work ability;

[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force changed – RT I, 17.12.2015, 1)]

8) a dependent spouse or registered partner of a person specified in clause 1, 2, 4, 5 or 5¹ of subsection 2 or subsection 3 of § 5 of the Health Insurance Act, who is raising at least one child under eight years of age or a child eight years of age until the child completes the first grade at school or at least three children under 16 years of age, and for whom or for whose spouse or registered partner the state does not pay social tax in accordance with clause 1 or 1¹ of this subsection;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

9) a person receiving social benefit granted in accordance with § 140 the Social Welfare Act;

[RT I, 30.12.2015, 5 – entry into force 01.01.2016]

10) one parent, parent's spouse, registered partner of parent, adoptive parent, guardian or parent of a foster family living in Estonia, who is raising seven or more children under the age of 19 living in Estonia or abroad away from the family due to study abroad and to whom the allowance for families with many children is paid in accordance with § 21 of the Family Benefits Act, or in the event of non-payment of support, a person who has submitted a petition to the Social Insurance Board for the state to pay social tax on their behalf;

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

11) a person participating in the traineeship, work practice, or labour market training with the duration of at least 80 hours provided in the employment programme in accordance with the Labour Market Measures Act, unless the state pays social tax for them in accordance with clause 6, 6¹ or 7 of this subsection or in accordance with clause 8 of subsection 1 of § 2 of this Act or in case they have been granted a flexible old-age pension in accordance with the State Pension Insurance Act;

[RT I, 07.03.2023, 5 – entry into force 01.01.2024]

12) [Repealed – RT I 2006, 61, 459 – entry into force 01.01.2007]

13) a person who has been granted the allowance of a rescue worker waiting for old-age pension in accordance with § 19 of the Rescue Service Act;

[RT I 2008, 8, 57 – entry into force 01.03.2008]

14) a person who receives a Doctoral allowance in accordance with the terms and conditions provided in subsection 1 of § 41 and § 43 of the Study Allowances and Study Loans Act;

[RT I, 15.03.2022, 1 – entry into force 01.08.2022]

15) an unemployed person enjoying international protection, residing in Estonia, who is of pensionable age for the purposes of § 7 of the State Pension Insurance Act and who does not receive a state pension granted in Estonia.

[RT I, 06.04.2016, 1 – entry into force 01.05.2016]

(1¹) A rural municipality or city pays social tax for a person residing in Estonia who:

1) is caring for a disabled person in accordance with § 26 of the Social Welfare Act and to whom a rural municipality or city government pays allowance for caring for a disabled person and who neither works nor is a person receiving state pension nor a person with partial or no work ability, or

[RT I, 30.12.2015, 5 – entry into force 01.07.2016]

2) is caring for a disabled child and to whom a rural municipality or city government pays allowance for caring for a disabled child and who neither works nor is a person receiving state pension nor a person with partial or no work ability.

[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force amended – RT I, 17.12.2015, 1)]

(1²) An artistic association pays social tax for a creative person engaged in a liberal profession to whom the artistic association pays support for creative activity in accordance with § 18 of the Creative Persons and Artistic Associations Act. The Ministry of Culture pays social tax for a creative person engaged in a liberal profession to whom the Ministry of Culture pays support for creative activity in accordance with § 19 of the Creative Persons and Artistic Associations Act.

[RT I, 17.04.2021, 3 – entry into force 18.04.2021]

(2) In the special cases of payment of social tax, social tax is paid on the monthly rate specified in § 2¹ of this Act, excluding the cases specified in subsections 2², 2⁴ and 2⁵ of this section.

[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2¹) [Repealed – RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2²) The social tax payable for a person specified in clause 2 of subsection 1 of this section is calculated on the spousal or registered partner allowance specified in the same clause.

[RT I, 06.07.2023, 6 - entry into force 01.01.2024]

(2³) Social tax is paid for a person specified in clause 3¹ of subsection 1 of this section during the temporary incapacity for work, but not longer than five months as of the release of the person from conscript service, reserve service, regular alternative service or reserve alternative service.

[RT I, 27.01.2023, 1 – entry into force 01.04.2023]

(2⁴) The social tax payable for a person specified in clause 14 of subsection 1 of this section is calculated on the amount of the Doctoral allowance established for each year by the state budget.

[RT I, 05.12.2014, 2 – entry into force 01.09.2015]

(2⁵) In case an artistic association pays the support for creative activity to a creative person in accordance with the procedure provided in subsection 2 of § 18 of the Creative Persons and Artistic Associations Act, social tax is calculated on the amount of the support for creative activity paid.

[RT I, 17.04.2021, 3 – entry into force 18.04.2021]

(2⁶) In case both parents receive parental benefit simultaneously in one calendar month in accordance with subsection 3 of § 34 of the Family Benefits Act, social tax is paid for the person who is entitled to maternity benefit. In the case of simultaneous receipt of shared parental benefit or parental benefit for adoptive parents, social tax is paid for a person who is on a parental leave or adoptive parental leave in accordance with the Employment Contracts Act. In case both persons are on a parental leave or adoptive parental leave simultaneously, payment of social tax continues for the person for whom social tax was paid last. In case neither person is on parental leave, payment of social tax continues for the person for whom social tax was paid last. [RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2⁷) Upon termination of the payment of parental benefit, social tax is paid for the person who is on parental leave in accordance with the Employment Contracts Act. In case neither of the persons is on parental leave, payment of social tax continues for the person for whom the state paid social tax last or who has submitted a petition to the Social Insurance Board for the state to pay social tax on their behalf. [RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2⁸) Upon the transfer of the first payment of family benefits to another Contracting State of the European Economic Area (hereinafter a Contracting State) or to the Swiss Confederation under Regulation (EC) No 883/2004 of the European Parliament and of the Council on the coordination of social security systems (OJ L 166, 30.4.2004, pp 1–123) social tax is paid in accordance with clauses 1, 1¹ and 10 of this section for the parent residing in Estonia and raising children residing in Estonia, who is not insured in another Contracting State or in the Swiss Confederation. [RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(3) The social tax on the share of remuneration, specified in clause 1 of subsection 1 of § 2 of this Act paid to a person specified in clause 5 of subsection 1 of this section, exceeding the monthly rate specified in § 2¹ of this Act, is paid by the company, non-profit association, foundation or self-employed person specified in clause 5 of subsection 1 of this section. In case a person specified in clause 5 of subsection 1 of this section is in employment relationship with several companies, non-profit associations, foundations or self-employed persons specified in the same clause, the public legal person pays social tax for the employer who, upon withholding income tax, calculates basic exemption in accordance with subsections 1 and 2 of § 42 of the Income Tax Act. In case the person has not submitted an application for calculating basic exemption for any of the employers, the person chooses by a written declaration one employer for whom social tax is paid by the public legal person. [RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force amended – RT I, 17.12.2015, 1)]

(3¹) Social tax for the person specified in clause 6¹ of subsection 1 of this section is paid as of the 31st day as of the registration of the person as unemployed. [RT I 2006, 61, 459 – entry into force 01.01.2007]

(3²) In case a person complies with several conditions provided in clauses 1–3³ and 6–15 of subsection 1 or subsection 1¹ or 1² of this section, social tax is paid for the person once on the amount provided in subsection 2 of this section taking into account the special rules provided in subsections 2², 2⁴ and 2⁵. [RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(3³) Social tax is paid in accordance with clauses 1, 1¹ and 10 and thereafter clause 8 of subsection 1 of this section only for one person raising a child or children in the order the clauses are provided in this subsection. [RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(4) The social tax specified in subsections 1 and 1¹ of this section is paid by the authority or public legal person for which the corresponding expenditure is prescribed in the state, rural municipality or city budget. The social tax specified in subsection 1² of this section is paid by an artistic association or the Ministry of Culture, which pays the support for creative activity in accordance with the Creative Persons and Artistic Associations Act. The procedure for payment of social tax is established by the minister in charge of the policy sector. [RT I, 17.04.2021, 3 – entry into force 18.04.2021]

(5) The Social Insurance Board applies the provisions of the General Part of the Social Code Act to the social protection provided in this section. [RT I, 08.07.2016, 1 – entry into force 01.01.2017]

§ 6¹. Special case of paying social tax by self-employed person

(1) A self-employed person, except for a person specified in subsection 1² of § 2 of this Act, pays social tax for the spouse or registered partner, who is entered in the employment register as the spouse participating in the activity of the business of the self-employed person. [RT I, 06.07.2023, 6 - entry into force 01.01.2024]

(2) A self-employed person pays social tax for the spouse or registered partner participating in the activity of the business of the self-employed person on the monthly rate specified in § 2¹ of this Act, except in the case provided in subsection 4 of this section and in case:

[RT I, 06.07.2023, 6 - entry into force 01.01.2024]

1) the self-employed person has entered during the taxable period the spouse participating in the activity of the business of the self-employed person in the employment register or deleted the spouse from the register;

[RT I, 07.12.2018, 1 - entry into force 17.12.2018]

2) the spouse participating in the activity of the business of the self-employed person has been a person receiving state pension or a person with partial or no work ability during the whole taxable period or has become such a person during the taxable period, or

[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force amended – RT I, 17.12.2015, 1)]

3) a certificate of incapacity for work has been issued to the spouse participating in the activity of the business of the self-employed person for the taxable period or a part thereof.

(3) In the cases specified in clauses 1–3 of subsection 2 of this section, social tax is paid for the taxable period in proportion to:

1) the number of days entered in the register as the spouse or registered partner participating in the activity of the business of the self-employed person;

[RT I, 06.07.2023, 6 - entry into force 01.01.2024]

2) the number of days preceding the time of becoming a person receiving state pension or a person with partial or no work ability, or

[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force amended – RT I, 17.12.2015, 1)]

3) the number of days preceding and following the period specified in the certificate of incapacity for work.

(4) A self-employed person who, in accordance with subsection 3 of § 3 of the Commercial Code, has notified the registrar of the commercial register of the suspension of activities or the starting date and final date of the temporary or seasonal activity, or who has been deleted from the commercial register, pays social tax for the spouse or registered partner participating in the activity of the business of the self-employed person in proportion to the number of days of business activities during the taxable period.

[RT I, 06.07.2023, 6 - entry into force 01.01.2024]

§ 6². Special procedure for payment of social tax on wages and other remuneration paid to crew members

(1) For the purposes of subsection 1 of Article 107 of the Treaty on the Functioning of the European Union, State aid is the difference between social tax calculated on the wages or other remuneration paid to a crew member at the tax rate specified in subsection 1 of § 7 of this Act and social tax calculated on the amount specified in clause 8 of subsection 4 of § 2 of this Act at the tax rate specified in subsection 21 of § 7. The granting of State aid is governed by the Guidelines on State aid to Maritime Transport and the relevant European Commission authorising the grant of State aid. The beneficiary of State aid is a person specified in § 4, who pays social tax at the rate and on the amount specified in subsection 2¹ of § 7.

[RT I, 04.03.2019, 1 – entry into force 01.07.2020, entry into force amended [RT I, 28.02.2020, 2]]

(2) The beneficiary of State aid must not:

1) be an undertaking in difficulty for the purposes of the European Commission Guidelines on State aid granted for rescuing and restructuring of non-financial undertakings in difficulty;

2) have failed to perform the obligation to repay State aid which is declared illegal and incompatible with the internal market on the basis of the European Commission decision.

[RT I, 04.03.2019, 1 – entry into force 01.07.2020, entry into force amended [RT I, 28.02.2020, 2]]

(3) The Ministry of Climate or an authority authorised thereby calculates the amount of State aid on the basis of the appropriate information received from the Tax and Customs Board and enters the information in the register of State aid and de minimis aid provided in § 49² of the Competition Act, as well as exercises supervision over the compliance with State aid rules specified in subsection 1 of this section.

[RT I, 30.06.2023, 1 – entry into force 01.07.2023]

(4) The State aid procedure specified in this section is applied until the conditions specified in subsection 2 of this section and subsections 5 and 6 of § 13 of the Income Tax Act are met, but not longer than the expiry of the relevant decision of the European Commission authorizing the granting of State aid. In the event of non-compliance with the requirements for the implementation of State aid, the State aid may be re-applied after the expiry of the relevant decision of the European Commission authorizing the granting of State aid, provided that the European Commission has granted a new State aid authorization and the conditions for implementation of the State aid are met.

[RT I, 28.02.2020, 2 – entry into force. 01.07.2020]

§ 7. Tax rate

(1) The rate of social tax is 33 per cent of the taxable amount.

(2) [Repealed – RT I 2003, 88, 587 – entry into force 01.01.2004]

(2¹) The rate of social tax on the amount specified in clause 8 of subsection 4 of § 2 of this Act is 20 per cent. [RT I, 04.03.2019, 1 – entry into force 01.07.2020, entry into force amended [RT I, 28.02.2020, 2]]

(3) In the cases provided in clauses 3¹, 3², 3³, 6, 6¹, 8, 9, 11, 13 and 15 of subsection 1 of § 6 of this Act and on the unemployment insurance benefits provided in the Unemployment Insurance Act, the rate of social tax is 13 per cent of the taxable amount. [RT I, 27.12.2016, 4 – entry into force 01.01.2018]

(4) The rate of social tax in the cases provided in clauses 1 and 5 of subsection 1 of § 6 of this Act is 20 per cent of the taxable amount. [RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 8. Taxable period

(1) The taxable period for social tax is one calendar month.

(2) The taxable period for social tax on the business income of a self-employed person is one calendar year. [RT I 2002, 111, 662 – entry into force 01.01.2003]

§ 9. Procedure for payment of social tax

(1) A payers of social tax provided in §§ 4 and 6 of this Act are required to:

1) calculate social tax for every insurable person on the amounts taxable with social tax provided in clauses 1–4, 6, 8 and 9 of subsection 1 of § 2 of this Act, and pay social tax at the rate specified in § 7, taking account of the provisions of clause 2 of this subsection;

2) pay social tax on the amounts taxable with social tax provided in clauses 4 and 6 of subsection 1 of § 2 of this Act which are subject to social tax, except in case the recipient of the remuneration is entered in the commercial register as a self-employed person and the remuneration is the business income of the recipient; [RT I 2008, 60, 331 – entry into force 01.01.2009]

3) pay social tax on fringe benefits and on income tax calculated on fringe benefits, without reference to each insurable person separately;

4) transfer social tax due to the bank account of the Tax and Customs Board by the tenth day of the month following the taxable period and submit the corresponding tax return to the Tax and Customs Board by the same date;

[RT I, 25.10.2012, 1 – entry into force 01.12.2012]

5) calculate monthly social tax payable in accordance with subsections 1, 1¹ or 1² of § 6 of this Act for every insurable person, and transfer it to the bank account of the Tax and Customs Board by the tenth day of the following month and submit the corresponding tax return to the Tax and Customs Board by the same date; [RT I, 10.01.2014, 2 – entry into force 20.01.2014]

6) issue to the person, to whom the amounts taxable with social tax have been paid or for whom social tax has been paid in accordance with subsection 1, 1¹ or 1² of § 6 of this Act, at the request of the person, a certificate on the specified amounts and social tax calculated.

[RT I, 10.01.2014, 2 – entry into force 20.01.2014]

(1¹) In case a taxpayer has been declared bankrupt, the declaration specified in clause 4 of subsection 1 of this section is submitted separately for the part of taxable period preceding the declaration of bankruptcy and for the part of the taxable period following the declaration of bankruptcy.

[RT I, 18.11.2010, 1 – entry into force 01.01.2011]

(1²) A self-employed person is required to calculate, in respect of the spouse or registered partner participating in the activity of the business of the self-employed person, social tax payable in accordance with § 6¹ of this Act, to transfer it to the bank account of the Tax and Customs Board by the tenth day of the month following the taxable period and to submit the corresponding tax return to the Tax and Customs Board by the same date.

[RT I, 06.07.2023, 6 - entry into force 01.01.2024]

(2) [Repealed – RT I 2001, 59, 359 – entry into force 01.01.2003]

(3) A self-employed person is required to:

1) pay social tax during the taxable period as advance payments into the bank account of the Tax and Customs Board by the fifteenth date of the third month of each quarter in the amount calculated on the basis of triple the monthly rate specified in § 2¹ of this Act, except the person who has received state pension during the whole quarter or has been a person with partial or no work ability or a person considered equal to an insured person during the whole quarter in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act, and in the cases provided in subsections 4, 5 and 5¹ of this section;

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

2) pay the additional amount of tax due specified in clause 1 of subsection 6 of this section into the bank account of the Tax and Customs Board by 1 October.

(4) In case social tax for a self-employed person is also paid by the employer or, in accordance with § 6 of this Act, the state, city, rural municipality or a legal person, the amount of advance payments by the self-employed

person may be less than the amount of tax calculated on the basis of triple the monthly rate specified in § 2¹ of this Act, in case the total amount of social tax payable for the self-employed person by the employer or, in accordance with § 6 of this Act, by the state, city, rural municipality or a legal person, and the total amount of social tax payable as advance payments by the self-employed person during the taxable period is equal to the amount of tax calculated on triple the monthly rate specified in § 2¹ of this Act. Social tax paid by the employer or, in accordance with § 6 of this Act, by the state, city, rural municipality or legal person is calculated in total as of the beginning of the calendar year.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(5) A self-employed person makes advance payments of social tax in proportion to:

1) the number of days of registration as the self-employed person, in case a self-employed person has been entered in the commercial register or deleted from the commercial register during the quarter specified in clause 1 of subsection 3 of this section;

2) the number of days preceding the time of becoming a person receiving state pension or a person with partial or no work ability, in case the self-employed person has become a person receiving state pension or a person with partial or no work ability during the quarter specified in clause 1 of subsection 3 of this section;

3) the number of days following the termination of the status of a person receiving state pension or a person with partial or no work ability, in case the right of the self-employed person has to receive a state pension or the status of a person with partial or no work ability has terminated during the quarter specified in clause 1 of subsection 3 of this section;

4) the number of days preceding the creation of the status of a person considered equal to an insured person in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act in case the right to be a person considered equal in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act has been created for the self-employed person during the quarter specified in clause 1 of subsection 3 of this section;

5) the number of days following the termination of the status of a person considered equal to an insured person in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act in case the right of the self-employed person to be a person considered equal in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act has terminated during the quarter specified in clause 1 of subsection 3 of this section.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(5¹) A self-employed person who, in accordance with subsection 3 of § 3 of the Commercial Code, has notified the registrar of the commercial register of the suspension of the activities or the starting date and final date of the temporary or seasonal activity, and a notary, sworn translator and enforcement agent in whose respect the same information has been communicated to the Tax and Customs Board in accordance with § 20¹ of the Taxation Act make advance payments in proportion to the number of days of business activities.

[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(6) The Tax and Customs Board is required to:

1) calculate the additional amount of tax due on the basis of the income tax return of a natural person and information in the register of taxable persons, and issue a tax notice concerning the amount of tax due to a self-employed person at least thirty days prior to the due date for payment of tax;

2) refund overpaid amounts of social tax to the bank account indicated in the tax return by the self-employed person by 1 October of the year following the taxable period, except in the cases prescribed in the Taxation Act.

(6¹) A tax notice is not issued in the case of an electronically submitted tax return. The tax authority discloses the tax accounting in the e-service environment of the Tax and Customs Board „e-Tax Board/ e-Customs“ and notifies of the date of creation of obligations and possibilities to examine tax accounting in the environment „e-Tax Board/ e-Customs“.

[RT I, 07.12.2018, 1 - entry into force 01.01.2019]

(7) The standard format of tax returns and the procedure for the completion of tax returns and the procedure for calculation of tax are established by the minister in charge of the policy sector.

(8) The social tax of employees of such authorities whose staff, consolidated data or specific duties constitute a state secret is calculated in accordance with the procedure established by a regulation of the minister in charge of the policy sector.

(9) [Repealed – RT I 2010, 22, 108 – entry into force 01.01.2011]

(10) [Repealed – RT I 2005, 36, 277 – entry into force 01.01.2006]

(11) In case the *Riigikogu* has not passed the state budget by the beginning of the budgetary year, social tax is paid on at least the monthly rate established by the state budget for the previous budgetary year until the month when the state budget is passed, inclusive of the latter.

[RT I 2006, 61, 459 – entry into force 01.01.2008]

§ 10. Receipt of tax

(1) In accordance with clauses 4 and 5 of subsection 1, subsection 1² and clauses 1 and 2 of subsection 3 of § 9 of this Act, the Tax and Customs Board transfers the received social tax into the state pension insurance funds and the state health insurance funds of the state budget within 15 working days as of the receipt of the money.
[RT I, 02.07.2012, 8 – entry into force 01.08.2012]

(2) The rate of social tax transferred into the state pension insurance funds is 20 per cent and the rate of social tax transferred into the state health insurance funds is 13 per cent.

(3) In case, under the Funded Pensions Act, an insured person specified in this Act is required to make a contribution for a mandatory funded pension, social tax calculated on the remuneration specified in clauses 1–4, 6, 8 and 9 of subsection 1 of § 2 and clause 2 of subsection 1 of § 6 of this Act is transferred under subsection 4 of this section.
[RT I 2006, 26, 193 – entry into force 01.01.2007]

(3¹) In case, under the Funded Pensions Act, a self-employed person is required to make a contribution for a mandatory funded pension, social tax calculated on the remuneration specified in clause 5 of subsection 1 of § 2 of this Act is transferred under subsection 4¹ of this section.

(4) In the case provided in subsection 3 of this section, the Tax and Customs Board transfers the received social tax within 15 working days, into the state pension insurance funds and health insurance funds of the state budget and to the bank account of the registrar of the pension register. The rate of the share of social tax transferred into the state pension insurance funds is 16 per cent, the rate of the share of social tax transferred into the state health insurance funds is 13 per cent, and transferred into the bank account of the registrar of the pension register is 4 per cent.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(4¹) In the case provided in subsection 3¹ of this section, the Tax and Customs Board transfers the amounts corresponding to the state pension insurance share and the state health insurance share of the received social tax into the state pension insurance funds and the state health insurance funds of the state budget within fifteen working days. The Tax and Customs Board transfers the mandatory funded pension share of social tax into the bank account of the registrar of the pension register within fifteen working days after the term provided in clause 2 of subsection 3 of § 9 of this Act. The rate of the share of social tax transferred into the state pension insurance funds is 16 per cent, the rate of the share of social tax transferred into the state health insurance funds is 13 per cent, and the rate of the share of social tax transferred into the bank account of the registrar of the pension register is 4 per cent.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(4²) In case, under the Funded Pensions Act, a self-employed person was required to pay a mandatory funded pension payment within four months of the tax payment period, the rate of the share of social tax on one-third of social tax paid on the business income of the self-employed person to be transferred to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act is 16 per cent and the rate of the share to be transferred to the bank account of the registrar of the pension register is 4 per cent. The rate of the share of social tax on two-thirds of social tax paid on the business income of the self-employed person to be transferred to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act is 20 per cent and not any share of social tax is transferred into the bank account of the registrar of the pension register.
[RT I, 27.10.2020, 1 – entry into force 06.11.2020]

(4³) In case under the Funded Pensions Act, a self-employed person was required to pay a mandatory funded pension contribution within eight months of the tax payment period, the rate of the share of social tax on two-thirds of social tax paid on the business income of the self-employed person to be transferred to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act is 16 per cent and the rate of the share to be transferred to the bank account of the registrar of the pensions register is 4 per cent. The rate of the share of social tax on one-third of social tax paid on the business income of the self-employed person to be transferred to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act is 20 per cent and not any share of social tax is transferred into the bank account of the registrar of the pensions register.
[RT I, 27.10.2020, 1 – entry into force 06.11.2020]

(5) [Repealed – RT I 2004, 37, 252 – entry into force 01.05.2004]

§ 11. Release of data

(1) The procedure for the release of information from the register of taxable persons to the Social Insurance Board and the Estonian Health Insurance Fund is established by the minister in charge of the policy sector.
[RT I, 11.03.2023, 9 – entry into force 01.04.2023]

(2) Concurrently with the transfer of social tax specified in subsections 4 and 4¹ of § 10 of this Act, the Tax and Customs Board forwards to the registrar of the pension register the following information about the persons whose amounts were transferred to the registrar of the pension register:

[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

- 1) the name of the person;
- 2) personal identification code;
- 3) the amount of the share of social tax transferred to the registrar of the pension register;

[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

- 4) the registry code or the personal identification code of the payer of social tax.

(3) The procedure for the forwarding of information to the registrar of the pension register and transfer of amounts specified in subsections 4 and 4¹ of § 10 of this Act, and for the correction of errors related thereto is established by a regulation of the minister in charge of the policy sector.

[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

§ 12. Specification of information

In case the information received from a payer of social tax in accordance with clause 6 of subsection 1 of § 9 of this Act differs from information received from the register of taxable persons and from the social protection information system for the same period, the insured person has the right to request specification of the information or clarification of the reasons for the differences from the Tax and Customs Board. The Tax and Customs Board is required, not later than within three months as of the date of receipt of an application, to notify the insured person of the specified information or the reasons for the differences in information and of the due date for elimination of such differences.

[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

§ 12¹. Receipt of data

The Tax and Customs Board has the right to receive from the Estonian Health Insurance Fund, for the performance of the functions provided in this Act, the information regarding the creation and termination of the health insurance of a person considered equal to an insured person in accordance with clause 5 of subsection 4 of § 5 of the Health Insurance Act.

[RT I, 11.03.2023, 9 – entry into force 01.04.2023]

§ 13. Implementation of Act

(1) The social tax payable in accordance with the Social Tax Act of the Republic of Estonia after the entry into force of this Act is transferred to the bank account of the Tax and Customs Board; the arrears of social tax arising in accordance with the specified Act are collected by the Tax and Customs Board. Upon receipt, the above amounts are transferred to the state pension insurance and health insurance funds without reference to each insured person separately.

(2) Social tax payable in accordance with the Social Tax Act after the entry into force of this Act is declared, paid and refunded in accordance with the provisions of the specified Act.

(3) Clause 11 of § 3 of this Act is in force until 31 December 2001.

(4) In case the person specified in clause 6¹ of subsection 1 of § 6 of this Act as at 1 January 2007 has been registered as unemployed for over 30 days, social tax is paid for the person as of 1 January 2007.

[RT I 2006, 61, 459 – entry into force 01.01.2007]

(5) The provisions of this Act concerning a self-employed person entered in the commercial register are applied to a self-employed person registered in the regional structural unit of the Tax and Customs Board during the period of re-registration as of 1 January 2009 until their deletion from the register of taxable persons.

[RT I 2008, 60, 331 – entry into force 01.01.2009]

(6) As of 1 June 2009 until 31 December 2010, the rate of the share of social tax paid on remunerations specified in clauses 1–4, 6, 8 and 9 of subsection 1 of § 2 and clause 2 of subsection 1 of § 6 of this Act (hereinafter in this section *remuneration*), which is transferred into the state pension insurance funds as provided in the second sentence of subsection 4 of § 10 amounts to 20 per cent, and not any share of social tax is transferred into the bank account of the registrar of the pension register.

[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(7) The rate of the share of social tax paid on 5/12 of the business income of a self-employed person received in 2009, which is transferred into the state pension insurance funds as provided in the third sentence of subsection 4¹ of § 10 of this Act amounts to 16 per cent, and the rate of the share transferred into the bank account of the registrar of the pension register amounts to 4 per cent. The share of social tax paid on 7/12 of the business

income received in 2009 which is transferred into the state pension insurance funds as provided in the third sentence of subsection 4¹ of § 10 of this Act amounts to 20 per cent, and not any share of social tax is transferred into the bank account of the registrar of the pension register.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(8) The share of social tax paid on the business income received in 2010 which is transferred into the state pension insurance funds as provided in the third sentence of subsection 4¹ of § 10 of this Act amounts to 20 per cent, and not any share of social tax is transferred into the bank account of the registrar of the pension register.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(9) The share of social tax paid on the remuneration and business income received in 2011 which is transferred into the state pension insurance funds as provided in second sentence of subsection 4 of § 10 and the third sentence of subsection 4¹ of § 10 of this Act amounts to 18 per cent, and the share transferred into the bank account of the registrar of the pension register amounts to 2 per cent.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(10) In case an insured person specified in this Act is a person born in 1942–1954 who, under subsection 4 of § 67¹ of the Funded Pensions Act, submitted an application for making contributions, the provisions of subsections 6–9 of this section are not applied to social tax paid on the remuneration and business income received in 2010 and 2011.
[RT I 2009, 26, 161 – entry into force 28.05.2009]

(11) In case an insured person specified in this Act, who was born in 1955 or later, has submitted an application for making contributions provided in subsection 4 of § 67¹ of the Funded Pensions Act, the share of social tax paid on the remuneration and business income received in 2014–2017, which is transferred into the state pension insurance funds as provided in the second sentence of subsection 4 of § 10 and the third sentence of subsection 4¹ of § 10 of this Act, amounts to 14 per cent, and the share transferred into the bank account of the registrar of the pension register amounts to 6 per cent.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(12) In case an insured person specified in this Act has submitted an application provided in subsection 1 of § 67² of the Funded Pensions Act, the part of social tax paid on the remuneration and business income received during four years following the submission of the application, which is transferred into the state pension insurance funds as provided in the second sentence of subsection 4 of § 10 and the third sentence of subsection 4¹ of § 10 of this Act amounts to 14 per cent, and the part transferred into the bank account of the registrar of the pension register amounts to 6 per cent.
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(13) The wording of clause 5 of § 3 of this Act, which entered into force on 1 July 2010, is applied retroactively as of 1 July 2009.
[RT I 2010, 38, 232 – entry into force 01.07.2010]

(14) In the case provided in subsection 43 of § 61 of the Income Tax Act, the social tax paid on fringe benefits before 1 January 2011 and on income tax paid on these fringe benefits may be deducted from the social tax payable in accordance with clause 7 of subsection 1 of § 2 of this Act.
[RT I, 18.11.2010, 1 – entry into force 01.01.2011]

(15) The condition of partial or no work ability provided in clause 5 of subsection 1 of § 6 of this Act is deemed to be complied with also in case of a person who has been established to have permanent incapacity for work of at least 40 per cent in accordance with the State Pension Insurance Act.
[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force amended – RT I, 17.12.2015, 1)]

(16) A person receiving state pension provided in this Act is also a person to whom the payment of the old-age pension has been suspended in accordance with § 25¹ of the State Pension Insurance Act.
[RT I, 03.01.2019, 1 – entry into force 01.01.2021]

(17) The obligation to pay social tax on the monthly rate provided in subsection 2 of § 2 and subsection 2 of § 6¹ of this Act is not applied in March, April and May 2020.
[RT I, 21.04.2020, 1 – entry into force 01.05.2020, applied retroactively as of 1 March 2020]

(18) The advance payment for the first quarter of 2020 determined in accordance with clause 1 of subsection 3 of § 9 of this Act is paid to the Tax and Customs Board by the state on behalf of a self-employed person.
[RT I, 21.04.2020, 1 – entry into force. 01.05.2020, applied retroactively as of 1 March 2020]

(19) In case an insured person specified in this Act is a person born in 1942–1960, who has submitted an application for non-payment of contributions under subsection 1 of § 67³ of the Funded Pensions Act, the rate of the share of social tax to be transferred to the state pension insurance funds provided in the second sentence of subsection 4 of § 10 of this Act on the remuneration paid to the person and on the amounts received on the

business account of the person from 1 December 2020 until 31 August 2021 is 20 per cent, and a share of social tax is not transferred to the bank account of the registrar of the pensions register.
[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

(20) In case an insured person specified in this Act is a self-employed person born in 1942–1960, who has submitted an application for non-payment of contributions under subsection 1 of § 67³ of the Funded Pensions Act, the rate of the share of social tax to be paid to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act paid on one twelfth of the business income of the self-employed person in 2020 and on two thirds of the income received in 2021, is 20 per cent and a share of social tax is not transferred to the bank account of the registrar of the pensions register. The rate of the share of social tax paid on 11/12 of business income received in 2020 and on one third of income received in 2021 to be paid to state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act is 16 per cent and the rate of the share to be transferred to the bank account of the registrar of pensions register is 4 per cent.
[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

(21) In case the insured person specified in this Act is a person born in 1961 or later, the rate of the share of social tax to be transferred to the state pension insurance funds provided in the second sentence of subsection 4 of § 10 of this Act on the remuneration paid to the person on the amounts received in the business account of the person from 1 July 2020 to 31 August 2021, is 20 per cent and a share of social tax is not transferred to the bank account of the registrar of the pensions register.
[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

(22) In case an insured person specified in this Act is a self-employed person born in 1961 or later, the rate of the share of social tax to be transferred to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act paid on half of the business income of the person received in 2020 and on two thirds of the income received in 2021, is 20 per cent and a share of social tax is not transferred to the bank account of the registrar of the pensions register. The rate of the share of social tax to be paid to the state pension insurance funds provided in the third sentence of subsection 4¹ of § 10 of this Act paid on half of the business income received in 2020 and on one third of the income received in 2021, is 16 per cent and the rate of the share to be transferred to the bank account of the registrar of the pensions register is 4 per cent.
[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

§ 14.–§ 16.[Omitted from this text.]

§ 17. Entry into force of Act

(1) This Act enters into force on 1 January 2001.

(2) Subsections 2 and 3 of § 7 of this Act enter into force on 1 January 2002.
[RT I, 02.07.2012, 8 – entry into force 01.08.2012]

¹Directive 2010/41/EU of the European Parliament and of the Council on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OJ L 180, 15.07.2010, pp 1–6).