Issuer:	Riigikogu
Type:	act
In force from:	24.12.2022
In force until:	31.12.2022
Translation published:	22.12.2022

Employment Contracts Act[1]

Passed 17.12.2008
RT I 2009, 5, 35
Entry into force 01.07.2009

Amended by the following acts

Passed	Published	Entry into force
28.01.2009	RT I 2009, 11, 67	01.07.2009
20.02.2009	RT I 2009, 15, 93	01.07.2009
06.05.2009	RT I 2009, 26, 159	01.07.2009
21.05.2009	RT I 2009, 29, 176	01.04.2010
18.06.2009	RT I 2009, 36, 234	01.07.2009, in part pursuant to § 190
22.04.2010	RT I 2010, 22, 108	01.01.2011 enters into force on the date determined by the Decision of the Council of the European Union on abrogation of a derogation established in respect of the Republic of Estonia on the basis of Article 140(2) of the Treaty on the Functioning of the European Union, Council Decision No. 2010/416/ EU of 13 July 2010 (OJ L 196, 28.07.2010, pp. 24–26).
25.01.2012	RT I, 10.02.2012, 1	20.02.2012
08.05.2012	RT I, 25.05.2012, 24	04.06.2012
13.06.2012	RT I, 10.07.2012, 2	01.04.2013
12.12.2012	RT I, 22.12.2012, 15	01.01.2013
19.06.2014	RT I, 12.07.2014, 1	01.01.2015
19.11.2014	RT I, 13.12.2014, 1	01.01.2016, date of entry into force changed to 01.07.2016 [RT I, 17.12.2015, 1]
25.11.2015	RT I, 17.12.2015, 1	20.12.2015, in part 01.01.2016 and 01.07.2016
15.06.2016	RT I, 08.07.2016, 1	01.01.2017
23.11.2016	RT I, 07.12.2016, 1	17.12.2016
12.04.2017	RT I, 28.04.2017, 1	08.05.2017, in part 01.07.2017
14.06.2017	RT I, 04.07.2017, 3	01.01.2018
15.11.2017	RT I, 28.11.2017, 2	01.01.2018
06.12.2017	RT I, 28.12.2017, 7	01.07.2020, in part 01.03.2018 and 01.09.2019; amended in part [RT I, 26.06.2018, 3]
06.06.2018	RT I, 26.06.2018, 3	01.07.2018
17.10.2018	RT I, 26.10.2018, 1	01.04.2022, in part 05.11.2018 and 01.07.2020; amended in part [RT I, 30.06.2020, 11]; amended in part [RT I, 31.03.2022, 1]
19.12.2018	RT I, 10.01.2019, 2	20.01.2019
20.02.2019	RT I, 13.03.2019, 2	15.03.2019
20.02.2019	RT I, 19.03.2019, 12	01.09.2019

18.06.2020	RT I, 30.06.2020, 11	01.07.2020, in part 01.04.2022; amended in part [RT I, 31.03.2022, 1]
17.06.2020	RT I, 09.07.2020, 1	30.07.2020
09.12.2020	RT I, 29.12.2020, 2	08.01.2021
19.05.2021	RT I, 28.05.2021, 12	07.06.2021
13.10.2021	RT I, 22.10.2021, 2	01.11.2021, in part 01.04.2022 and 01.09.2022; amended in part [RT I, 22.12.2021, 3]
27.10.2021	RT I, 12.11.2021, 2	22.11.2021
25.11.2021	RT I, 11.12.2021, 1	15.12.2021, in part 15.06.2024
08.12.2021	RT I, 22.12.2021, 3	01.04.2022
16.03.2022	RT I, 31.03.2022, 1	01.04.2022
20.04.2022	RT I, 30.04.2022, 1	01.08.2022
21.09.2022	RT I, 05.10.2022, 1	15.10.2022
23.11.2022	RT I, 14.12.2022, 2	24.12.2022

Chapter 1
GENERAL PROVISIONS

§ 1. Definition of employment contract

(1) On the basis of an employment contract a natural person (employee) does work for another person (employer) in subordination to the management and control of the employer. The employer pays to the employee remuneration for such work.

(2) If a person does work for another person which, under the circumstances, can be expected to be done only for remuneration, it is presumed to be an employment contract.

(3) The provisions of the Law of Obligations Act concerning authorisation agreement are applied to employment contract, unless otherwise provided by this Act.

(4) The provisions concerning employment contract are not applied to a contract where the person obligated to perform the work is to a significant extent independent in choosing the manner, time and place of performance of the work.

(5) The provisions concerning employment contract are not applied to the contract of a member of the directing body of a legal person or a director of a branch of a foreign company.

§ 2. Mandatory nature of provisions

An agreement derogating to the detriment of the employee from the provisions of this Act and the Law of Obligations Act concerning the rights and obligations and liability of the contracting parties is void, unless the possibility of an agreement derogating to the detriment of the employee has been prescribed by this Act.

§ 2^1. Protection against unfavourable treatment

An employer may not treat an employee unfavourably for the reason that the employee relies on their rights, draws attention to violation thereof or supports another employee in the protection of that employee's rights.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

§ 3. Principle of equal treatment

An employer must ensure the protection of employees against discrimination, follow the principle of equal treatment and promote equality in accordance with the Equal Treatment Act and Gender Equality Act.

§ 3^1. Limitation period of claim arising from employment relationship

The time-limit for filing a claim for the recognition of rights arising from employment relationships and for the protection of violated rights for the purpose of recourse to a labour dispute committee or court is four months as of the time the person became or should have become aware of the violation of their rights.
[RT I, 04.07.2017, 3 – entry into force 01.01.2018]

Chapter 2

ENTRY INTO EMPLOYMENT CONTRACT

§ 4. Specifications for entry into employment contract

(1) The provisions of the Law of Obligations Act concerning entry into a contract aree applied to entry into an employment contract.

(2) An employment contract is entered into in writing. An employment contract is also deemed entered into if an employee commences work which, under the circumstances, can be expected to be done only for remuneration.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(3) An agreement on a condition harmful to the employee or related to the validity of the employment contract, which is contingent upon an uncertain event (resolutive condition), is void.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(4) Failure to adhere to the formal requirement provided in subsection 2 of this section does not bring about the voidness of the employment contract.

(5) The formal requirement provided in subsection 2 of this section is not applied if the duration of the validity of the employment contract does not exceed two weeks.

§ 5. Notification of employee of working conditions

(1) A written document of an employment contract must contain at least the following data:
1) the name, personal identification code or registry code, place of residence or seat of the employer and the employee;
2) the date of entry into the employment contract and commencement of work by the employee;
3) a description of duties;
4) the official title if this brings about a legal consequence;
5) the agreed remuneration payable for the work (wages), including remuneration payable based on the economic performance and transactions, and the manner of calculation, the procedure for payment and the time of falling due of wages (pay day), also taxes and payments payable and withheld by the employer, including a reference to the authorities receiving the taxes and payments and protection accompanied by the payment thereof;
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]
6) the training entitlement provided by the employer and other benefits if agreed upon;
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]
7) the time when the employee performs the agreed duties (working time);
8) the place of performance of work;
9) the duration of annual holiday and a reference to other holiday compensated by the employer;
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]
10) a reference to the form reproducible in writing, the obligation to give reasons and the notice periods pertaining to the cancellation of the employment contract;
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]
11) a reference to the rules of work organisation established by the employer;
[RT I, 10.02.2012, 1 – entry into force 20.02.2012]
12) a reference to a collective agreement if a collective agreement is applicable with regard to the employee;
13) a reference to the procedure for performing and compensating overtime work;
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]
14) the duration of the probationary period.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(2) The employer is to inform the employee of the data in good faith, clearly and unambiguously. The employee has the right to access the data at any given time. The employer may demand that the employee confirm the provision of the data specified in this section.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(3) If the data has not been provided to the employee before commencement of work, the employee may demand it at any time. The employer is required to provide the data within two weeks as of the receipt of such a request.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(4) Any changes in the data are presented to the employee in writing no later than on the day the changes take effect, considering the provisions of subsections 2 and 3 of this section.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(5) The employer is to retain the data specified in this section and information about the provision and receipt of the data during the term of validity of the employment contract and for ten years after the expiry of the employment contract.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(6) The employer need not inform the employee of the data in writing if the working time agreed upon with the employee and actually worked does not exceed on average three hours a week over the period of four consecutive weeks.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

§ 6. Notification of employee of working conditions in special cases

(1) [Repealed – RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(2) If an employer and employee agree that the employment contract has been entered into for a specified term, the employer must, in addition to what has been specified in § 5 of this Act, notify the employee of the duration of the employment contract and the reason for entry into an employment contract for a specified term.

(3) If an employer and employee agree upon the application of the restraint of trade clause or the employer has determined confidential information, the employer must, in addition to what has been specified in § 5 of this Act, notify the employee of the content of the agreement on the restraint of trade clause or of the content of the confidential information.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(4) If an employer and employee agree that the employee does work, which is usually done in the employer's enterprise, outside the place of performance of the work, including at the employee's place of residence (teleworking), the employer must, in addition to what has been specified in § 5 of this Act, notify the employee that the duties are performed by way of teleworking.

(5) If an employer and employee agree that the employee does work, on a temporary basis, in compliance with a third party's (user undertaking) instructions and supervision (temporary agency work), the employer must, in addition to what has been specified in § 5 of this Act and the name of the user undertaking, notify the employee that the duties are performed by way of temporary agency work in the user undertaking.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(6) If an employer and employee agree that the working time is divided within the recording period unequally (summarised working time), the employer must, in addition to what has been specified in § 5 of this Act, notify the employee of the conditions of communicating and changing the working time schedule.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(7) If an employer and employee agree that the employer compensates the employee for expenses incurred upon doing work or due to the directions or orders of the employer, the employer must, in addition to what has been specified in § 5 of this Act, notify the employee of the contents of such an agreement.

(8) If an employee and employer agree that the employee works for more than one month in a country other than that where the employee usually works, the employer must, in addition to what has been specified in § 5 of this Act, notify the employee, before the employee leaves for the country, the following information:
1) the country where the employee will be working;
2) the time of working in the country;
3) the currency in which wages are paid;
4) the benefits relating to the stay in the country;
5) the conditions governing repatriation from the country.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(9) If an employer has failed to notify an employee in writing of the data specified in subsections 2–5 of this section, it is presumed that no agreements have been reached or obligations established.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

§ 6[1]. Entry into employment contract with user undertaking

Conditions which hinder an employee of an undertaking specified in subsection 2 of § 38 of the Labour Market Services and Benefits Act who performs their duties by way of temporary agency work from entering into an employment contract with a user undertaking after finishing temporary work in the user undertaking are void.
[RT I, 10.01.2019, 2 – entry into force 20.01.2019]

§ 7. Entry into employment contract with minor

(1) An employer must not enter into an employment contract with a minor under 15 years of age or a minor subject to the obligation to attend school, or allow such a minor to work, except in the cases provided in subsection 4 of this section.

(2) An employer must not enter into an employment contract with a minor or allow a minor to work if the work:

1) is beyond the minor’s physical or psychological capacity;
2) is likely to harm the moral development of the minor;
3) involves risks which the minor cannot recognise or avoid owing to lack of experience or training;
4) is likely to hinder the minor's social development or the acquisition of their education;
5) is likely to harm the minor’s health due to the nature of the work or the working environment.

(3) The list of the work and hazards specified in clause 5 of subsection 2 of this section are established by a regulation of the Government of the Republic.

(4) An employer may enter into an employment contract with a minor of 13–14 years of age or a minor of 15–16 years of age subject to the obligation to attend school and allow them to work if the duties are simple and do not require any major physical or mental effort (light work). Minors of 7–12 years of age are allowed to do light work in the field of culture, art, sports or advertising.

(4[1]) An employer may enter into an employment contract with a minor of 13 years of age for the performance of the following work:
1) agricultural work;
2) ancillary work performed in trade or service establishments;
3) ancillary work performed in catering or accommodation establishments;
4) other work that meets the requirements provided in subsections 2 and 4 of this section.
[RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(5) [Repealed – RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(6) An employment contract entered into by violating the restrictions specified in this section is void.

§ 8. Consent for employment of minor

(1) An expression of will made by a minor for entry into an employment contract without the prior consent of a legal representative is void, unless the legal representative subsequently approves the expression of will.

(2) The legal representative of a minor may not consent to the employment during the school holiday of a minor subject to the obligation to attend school for more than a half of each term of the school holiday.

(3) An employer may not allow a minor of 7–12 years of age to work before ten working days have passed since the entry of the minor in the employment register provided in § 25[1] of the Taxation Act.
[RT I, 22.10.2021, 2 – entry into force 01.09.2022]

(4) When entering a minor of 7–12 years of age in the employment register, the employer must enter in the register information about the consent of a legal representative of the minor, the working conditions of the minor, including the minor’s place of work and duties and whether the minor is subject to the obligation to attend school.
[RT I, 22.10.2021, 2 – entry into force 01.09.2022]

(5) After the making of the register entry referred to in subsection 3 of this section, the labour inspector is required to verify that the work is not prohibited for the minor and the minor’s working conditions are in accordance with the requirements provided by law and the minor wishes to do the work.

(6) The labour inspector’s consent for allowing a minor of 7–12 years of age to work is presumed if the term provided in subsection 3 of this section has passed and the labour inspector has not refused to grant consent.
[RT I, 22.10.2021, 2 – entry into force 01.09.2022]

(7) If, in ascertaining the will of a minor of 7–12 years of age, the labour inspector has reasonable doubt that the minor is not expressing their true will in the presence of the legal representative, the labour inspector must ascertain the will of the minor in the presence of the minor and a local child protection official.

(8) An employment contract which has been entered into with a minor of 7–12 years of age is void if as a result of verifying the circumstances provided in subsection 4 of this section the labour inspector refuses to grant consent.
[RT I, 22.10.2021, 2 – entry into force 01.09.2022]

(9) An employer is prohibited from allowing a minor to work without the consent or approval of a legal representative.
[RT I, 28.04.2017, 1 – entry into force 01.07.2017]

§ 9. Entry into employment contract for specified term

(1) It is presumed that an employment contract is entered into for an unspecified term. An employment contract may be entered into for a specified term of up to five years if it is justified by good reasons arising from the temporary fixed-term characteristics of the work, especially a temporary increase in work volume or performance of seasonal work. If duties are performed by way of temporary agency work, an employment contract may be entered into for a specified term also if it is justified by the temporary characteristics of the work in a user undertaking.
[RT I, 10.02.2012, 1 – entry into force 20.02.2012]

(2) For the period of substitution of an employee who is temporarily absent, an employment contract may be entered into for a specified term of the period of the substitution.

§ 10. Restriction on consecutive entry into and extension of employment contract for specified term

(1) If an employee and employer have, on the basis of subsection 1 of § 9 of this Act, on more than two consecutive occasions entered into an employment contract for a specified term for the performance of similar work or extended the contract entered into for a specified term more than once in five years, the employment relationship is deemed to have been entered into for an unspecified term from the start. Entry into employment contracts for a specified term is deemed consecutive if the time between the expiry of one employment contract and entry into the next employment contract does not exceed two months.

(1^1) In the event of temporary work during the time a person is registered as unemployed under § 4^2 of the Labour Market Services and Benefits Act, employment contracts for a specified term of up to eight calendar days may be entered into an unlimited number of times within the period of six months. If after the end of the six-month period the same employee and employer enter into a new employment contract for a specified term within the next six months, this employment contract will be deemed to have been entered into for an unspecified term. The employee must disclose and confirm to the employer that the employee is registered as unemployed.
[RT I, 14.12.2022, 2 – entry into force 24.12.2022]

(2) If duties are performed by way of temporary agency work, the restriction on consecutive entry into or extension of an employment contract for a specified term provided in subsection 1 of this section is applied to every user undertaking separately.
[RT I, 10.02.2012, 1 – entry into force 20.02.2012]

§ 10^1. Probationary period

(1) A probationary period of four months is applied to an employee as of the day of commencement of work to assess whether the employee's health, knowledge, skills, abilities and personal characteristics correspond to the level required for the performance of work.

(2) In the employment contract it may be agreed that the probationary period is not applied or is shortened.

(3) In the event of an employment contract entered into for a specified term of up to eight months the probationary period may not be longer than one-half of the duration of the contract.

(4) The probationary period does not include a time when the performance of the employee's duties is hindered, above all when the employee is temporarily incapacitated for work or on holiday.

(5) When an employment contract entered into for a specified term is extended or concluded consecutively for the performance of similar work, a new probationary period is not applied.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

§ 11. Precontractual negotiations

(1) In precontractual negotiations or upon preparation of an employment contract in another manner, including in a job advertisement or job interview, an employer may not ask the person applying for employment for any data with regard to which the employer does not have any legitimate interest.

(2) The absence of the employer's legitimate interest is presumed first of all in the case of questions which disproportionately concern the private life of the person applying for employment or which are not related to their suitability for the job offered.

(3) The provisions of this section do not limit the application of the provisions of § 14 of the Law of Obligations Act.

§ 12. Amendment of employment contract

An employment contract may be amended only by agreement between the parties.

§ 13. Specifications for annulment of employment contract

(1) An employer may not annul an employment contract due to error or fraud, relying on the absence of information or false information about the employee with regard to the learning of which the employer does not have a legitimate interest as well as due to error or fraud if the circumstance with regard to which the employer was in error has lost its meaning for the employment contract at the time of the annulment.

(2) Due to error or fraud the employer may cancel the employment contract within two weeks as of learning of the error or fraud.

§ 14. Consequences of annulment of employment contract

(1) In case of the voidness or annulment of an employment contract, the employer or the employee may not claim the return of that which was delivered or performed under the contract.

(2) The employee must return tools and personal protective equipment received for occupational use under a void employment contract.

(3) If an employee deceived the employer with a fact which is of significant importance in determining the wages, the portion of the wages paid to the employee which the employer would not have paid had it known the actual circumstances may be claimed by the employer from the employee.

Chapter 3
OBLIGATIONS OF EMPLOYEE AND EMPLOYER

Subchapter 1
Obligations of Employee

§ 15. Obligations of employee

(1) An employee must perform their obligations before the employer loyally.

(2) Unless otherwise provided by law, a collective agreement or an employment contract, an employee must fulfil, above all, the following obligations:
1) to do the agreed work and fulfil the obligations arising from the characteristics of the work;
2) to do the work in the agreed volume, in the agreed place and at the agreed time;
3) to comply with the lawful instructions of the employer in a timely and precise manner;
4) to participate in training for improvement of vocational knowledge and skills;
5) to refrain from actions which hinder other employees from fulfilling their obligations or endanger the life, health or property of the employee or other persons;
6) to co-operate with other employees for the purposes of performance of duties;
7) to immediately notify the employer of an impediment to work or of the threat thereof and, if possible, to eliminate such an impediment or threat without a special instruction;
8) at the request of the employer, to notify the employer of all significant circumstances relating to the employment relationship with regard to which the employer has a legitimate interest;
9) to refrain from actions which harm the reputation of the employer or cause distrust in the employer among clients or partners;
10) to notify the employer at the earliest opportunity of their temporary incapacity for work and, where possible, the presumed duration thereof.

(3) An employee must fulfil their obligations personally, unless agreed otherwise.

§ 16. Level of diligence of employee

(1) An employee must perform duties loyally and in accordance with their knowledge and skills, bearing in mind the benefit to the employer and with the necessary diligence arising from the characteristics of the work.

(2) The level of diligence observed upon performance of the employment contract, which, if not adhered to, makes the employee liable for a breach of the employment contract, is determined on the basis of the employee’s employment relationship, considering the ordinary risks related to the employer’s activities and the employee’s work, the employee’s training, professional knowledge required for performance of the work, as well as the employee's abilities and characteristics which the employer knew or should have known.

§ 17. Content of instruction of employer

(1) An instruction of an employer must be related to a duty prescribed in the employment contract.

(2) Upon giving an instruction, an employer must reasonably take the interests and rights of the employee into account.

(3) An employee does not have to follow an instruction not related to the employment contract, collective agreement or law. An instruction not related to the employment contract, collective agreement or law, and which may not be deviated from by agreement or which is in conflict with the principle of good faith or reasonableness is void.

(4) An instruction not related to the employment contract, collective agreement or law is valid if arising from an emergency. An emergency is presumed in case of possible damage or a threat of such damage to the employer's property or other amenity caused, above all, by *force majeure*.

(5) If duties are performed by way of temporary agency work, the employee must also follow the instructions of the user undertaking. Instructions of the user undertaking are subject to the provisions of this section. In case of a conflict between the instructions of the employer and of the user undertaking, the employee must follow the instructions of the employer.

§ 18. Working conditions of pregnant employee and employee who has the right to maternity leave

[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(1) A pregnant employee and an employee who has the right to maternity leave have the right to demand that the employer temporarily provide them with work corresponding to their state of health if the employee's state of health does not allow for the performance of the duties prescribed in the employment contract on the agreed conditions.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(2) If the employer cannot provide the employee with work corresponding to the employee's state of health, the employee may temporarily refuse to perform the duties.

(3) In the cases specified in subsections 1 and 2 of this section, the employee must submit to the employer a certificate from a doctor or midwife indicating the restrictions on work due to their state of health and, where possible, proposals regarding duties and working conditions corresponding to their state of health.
[RT I 2009, 29, 176 – entry into force 01.04.2010]

(4) In the cases specified in subsections 1 and 2 of this section, compensation is paid to the employee on the conditions and in accordance with the rules prescribed in the Health Insurance Act.

(5) Upon termination of maternity leave, a woman has the right to use the improved working conditions which she would have been entitled to during her absence.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 18[1]. Right of employee to suitable working conditions

(1) An employee has the right to request from the employer suitable working conditions, including working under an employment contract entered into for an unspecified term or full-time work.

(2) The employer will weigh whether the wishes for changing working conditions as set out in the employee's request for suitable working conditions can be reasonably reconciled with the interests of the employer's enterprise. Should the employer refuse to change the working conditions, they must give reasons for the refusal in a form reproducible in writing within 14 calendar days as of the receipt of the request. If over the period of four months the employee submits more than one request for suitable working conditions, the employer is required to respond to one of the requests.

(3) After a holiday provided in §§ 60–65[1] of this Act or after the termination of a certificate for care leave provided in the Health Insurance Act the employee has the right to use improved working conditions to which they would have been entitled during their absence.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

§ 19. Right of employee to refuse to perform work

An employee has the right to refuse to perform work, in particular if the employee:
1) is on holiday;
2) is temporarily incapacitated for work for the purposes of the Health Insurance Act;
3) is representing employees in cases prescribed by law or a collective agreement;
4) is participating in a strike;
5) is in compulsory military service or alternative service or is participating in reserve training;
6) has other reasons prescribed in the employment contract, collective agreement or law.

§ 20. Place of performance of work

An employee must perform their duties at the employer's place of business which has the strongest connection with the employment relationship, unless the place of performance of work has been agreed on. It is presumed that the place of performance of work is agreed upon with the precision of the local government.

§ 21. Business trip

(1) An employer may send an employee outside the place of performance of work prescribed by the employment contract in order to perform duties.

(2) An employee may not be sent on a business trip for longer than 30 consecutive calendar days, unless the employer and the employee have agreed upon a longer term.

(3) A pregnant woman and an employee raising a child under three years of age or a disabled child may be sent on a business trip only with their consent.

(4) An employee who is a minor may be sent on a business trip only with the prior consent of the minor and their legal representative.

§ 22. Duty to maintain confidentiality

(1) According to what is provided in § 625 of the Law of Obligations Act and taking into account the notification obligation provided in subsection 3 of § 6 of this Act, the employer may determine which information an employee is required to keep as a production or business secret.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(2) An employer and employee may agree upon a contractual penalty for a breach of the obligation to maintain confidentiality on the conditions and in accordance with the rules provided in the Law of Obligations Act.

(3) The provisions of this section do not preclude claim for compensation for damage caused by a breach of the obligation to maintain confidentiality to the extent not covered by a contractual penalty.

§ 23. Agreement on restraint of trade clause

(1) An employer may not prohibit an employee from working for another employer, unless the parties have concluded an agreement on a restraint of trade clause. Under an agreement on a restraint of trade clause an employee assumes the obligation not to work for the employer's competitor or not to engage in the same economic or professional activity as the employer.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(2) An agreement on a restraint of trade clause may be entered into if it is necessary for protecting the employer's special economic interest, in maintenance of confidentiality of which the employer has a legitimate interest, especially if the employment relationship allows an employee to become acquainted with the employer's clients or access the employer's production and business secret, and the use of this knowledge may harm the employer considerably.

(3) A restraint of trade clause must be delimited reasonably and recognisably for the employee in terms of space, time and objects.

(4) An agreement entered into in breach of the requirements provided in this section is void.

§ 24. Validity of agreement on restraint of trade after expiry of employment contract

(1) An agreement on a restraint of trade clause applicable after the expiry of an employment contract is valid only if:
1) it complies with the conditions provided in subsections 2 and 3 of § 23 of this Act;
2) it has been made in writing;
3) compensation is paid for it in accordance with subsection 3 of this section;
4) it has been made for up to one year starting from the expiry of the employment contract.

(2) An employer cannot rely on the voidness of an agreement reached in breach of the requirements established in subsection 1 of this section if the employee performs the agreement.

(3) An employer must pay the employee reasonable monthly compensation for adherence to the agreement on the restraint of trade clause after the expiry of the employment contract.

§ 25. Cancellation of agreement on restraint of trade clause

(1) An employer may cancel an agreement on a restraint of trade clause at any time, notifying the employee thereof no less than 30 calendar days in advance.

(2) An employee may cancel the agreement on a restraint of trade clause, notifying the employer thereof no less than 15 calendar days in advance if the employer's interest in restriction of competition is no longer reasonable due to changes in circumstances.

(3) In addition to the provisions of subsection 2 of this section, an employee may cancel the agreement on a restraint of trade clause within 30 calendar days as of cancelling the employment contract due to a fundamental breach by the employer, notifying the employer thereof no less than 15 calendar days in advance.

(4) The provisions of subsections 1 and 2 of this section are also applied to cancellation of an agreement on a restraint of trade clause applicable after the expiry of an employment relationship.

§ 26. Contractual penalty upon breach of restraint of trade clause obligation

(1) An employer and employee may agree upon a contractual penalty for a breach of the restraint of trade clause.

(2) The provisions of this section do not preclude claim for compensation for damage caused by a breach of the restraint of trade clause obligation to the extent not covered by a contractual penalty.

§ 27. Notification obligation

At the request of an employer, an employee is required to provide information about their employment, economic or professional activities during and after the term of validity of the employment contract to the extent which is of relevance for the purposes of verification of adherence to an agreement specified in §§ 23–25 of this Act.

Subchapter 2
Obligations of Employer

§ 28. Obligations of employer

(1) An employer must perform its obligations with regard to an employee loyally.

(2) An employer is, above all, required:
1) to provide an employee with the work agreed upon and give instructions clearly and in a timely manner;
2) to pay wages for work under the conditions and at the time agreed upon;
3) to grant holiday as prescribed and pay holiday pay;
4) to ensure the agreed working and rest time and keep account of working time;
5) for the purposes of development of the professional knowledge and skills of an employee, to provide the employee with training based on the interests of the employer's enterprise, and bear the training expenses and pay average wages during the training;
6) to ensure working conditions corresponding to occupational health and safety requirements;
7) upon hiring an employee as well as during employment, to introduce to the employee the fire safety rules, occupational health and safety requirements and rules of work organisation established by the employer;
8) upon hiring an employee as well as during employment, to introduce the conditions of collective agreements applicable to the employee;
9) to notify employees working under an employment contract entered into for a specified term of vacant positions corresponding to their knowledge and skills with regard to which an employment contract can be entered into for an unspecified term;
9^1) to notify an employee who is performing duties by way of temporary agency work of vacant positions in the user undertaking corresponding to their knowledge and skills with regard to which an employment contract can be entered into for an unspecified term, unless the user undertaking has notified the employee of the vacant positions;
[RT I, 10.02.2012, 1 – entry into force 20.02.2012]
10) to notify a full-time employee of the possibility of part-time work and a part-time employee of the possibility of full-time work, considering the knowledge and skills of the employee;
11) to respect employee's privacy and verify the performance of their duties in a manner which does not violate the employee's fundamental rights;
12) at the request of an employee, to provide the employee with information about the wages calculated and paid or payable to the employee, and provide other notices characterising the employee or the employment relationship;
13) not to disclose, without employee's consent or legal basis, information about wages calculated, paid or payable to the employee.

§ 29. Amount of wages

(1) If a person does work which, considering the circumstances, can be expected to be done for remuneration, it is presumed that wages have been agreed upon.

(2) If the amount of wages payable to an employee under a contract has not been agreed upon or if the agreement cannot be proven, the amount of the wages is the remuneration specified in a collective agreement or, upon absence of a collective agreement, the remuneration usually paid for similar work under similar circumstances.

(3) The employee's tax liability, that is the taxes and premiums prescribed by law which are to be withheld from the wages are debited from the agreed wages. Wages are paid in money.

(4) If, in addition to wages, it has been agreed that the employer grants an employee other benefits, the employee has the right to demand them.

(5) The Government of the Republic establishes by a regulation the minimum wage corresponding to a specific unit of time.

(5^1) The Government of the Republic establishes the minimum wage on the basis of collective agreement concluded between the employers' confederation and the central federation of trade unions.
[RT I, 12.11.2021, 2 – entry into force 22.11.2021]

(6) Wages falling below the minimum wage established by the Government of the Republic may not be paid to an employee.

(7) [Repealed – RT I 2009, 36, 234 – entry into force 01.07.2009]

(8) The Government of the Republic establishes by a regulation the conditions and procedure for payment of average wages.

(9) The term for filing a claim for wages is three years as of the time the wages fell due.
[RT I, 04.07.2017, 3 – entry into force 01.01.2018]

§ 30. Remuneration paid on economic performance

If an employee has the contractual right to receive a part of the employer's profit or turnover or other economic results, it is presumed that the approved annual report of the employer in the respective year serves as the basis for calculation of the employee's part.
[RT I 2009, 11, 67 – entry into force 01.07. 2009]

§ 31. Remuneration paid on transactions

If an employee has the contractual right to remuneration on a contract to be concluded between the employer and a third party, §§ 679–682 of the Law of Obligations Act are applied to the payment of the remuneration.

§ 32. Agreement on use of remuneration

An agreement under which an employee is required to use the wages and other benefits for a certain purpose is void.

§ 33. Time, place and manner of payment of wages

(1) An employer must pay wages to an employee once a month, unless a shorter term has been agreed upon for payment of remuneration.

(2) If the pay day falls on a public holiday or a day off, it is deemed that the pay day is the working day preceding the public holiday or day off.

(3) The part payable of an employer's economic results is paid to an employee after determining the part, but not later than six months after approval of the annual report of the employer.

(4) An employer must transfer an employee's wages and other remuneration to the bank account indicated by the employee, unless agreed otherwise.

§ 33[1]. Liability of person who has commissioned subcontracting from employer of employee

(1) If an employee performs construction work related to the construction, repair, upkeep, alteration or demolition of buildings and the employer does not pay the employee wages, the person who has commissioned subcontracting is liable for the employer's obligation to pay wages as a surety under the provisions of the Law of Obligations Act governing suretyship.

(2) A person who has commissioned subcontracting means a person who, for the performance of their obligations related to construction work, orders work specified in subsection 1 of this section from another person.

(3) The obligation provided in subsection 1 of this section must be fulfilled by the person who has commissioned subcontracting from the employee's employer if it is not possible to collect the wages from the employer within four months after the commencement of enforcement proceedings.

(4) The obligation of the person who has commissioned subcontracting specified in subsection 1 of this section is limited to the minimum monthly wage established under subsection 5 of § 29 of this Act per calendar month.

(5) If in everyday economic activities the person who has commissioned subcontracting from the employer of an employee has exercised due diligence in their relationship with the employer of the employee, the person who has commissioned subcontracting does not have the obligation provided in subsection 1 of this section towards the employee.

(6) A person who has commissioned subcontracting has exercised due diligence for the purposes of subsection 5 of this section if they have done a background check on their transaction partner and have had reason to consider the partner reliable, which is expressed, above all, in no payment defaults and in payment of employees' social tax.
[RT I, 05.10.2022, 1 – entry into force 15.10.2022]

§ 34. Agreement on compensation for training expenses

(1) An employer and employee may agree that the employer incurs additional expenses for training the employee in comparison with reasonable expenses for training the employee, and the employee must work for the employer during an agreed period (binding period) for the purposes of compensating for these expenses.

(2) An agreement on compensation for training is valid only if:
1) it has been made in writing;
2) it specifies the substance and expenses of the training;
3) the binding period does not exceed three years;
4) the binding period is not unreasonably long considering the training expenses.

(3) An employee must compensate for additional expenses incurred by the employer in proportion to the time remaining until the end of the binding period if the employee cancels the employment contract before the expiry of the binding period, unless the reason for cancellation of the employment contract is a fundamental breach of the employment contract by the employer.

(4) An employee must compensate for additional expenses incurred by the employer in proportion to the time remaining until the end of the binding period if the employer cancels the employment contract before the expiry of the binding period due to a fundamental breach of the employment contract by the employee.

(5) An agreement on compensation for training expenses concluded with a minor or for compensating expenses related to the performance of the employer's obligation to train prescribed by law is void.

§ 35. Payment of wages upon failure to provide work

An employer must pay average wages to an employee who is capable of working and ready to do work even if the employee does not work because the employer has not provided them with work, has not performed an act required for doing work or has otherwise delayed acceptance of work, unless the employee is at fault in failing to be provided with work.

§ 36. Payment of wages upon refusal to work or upon fulfilment of other tasks

Wages must also be paid for the period when an employee follows an instruction provided in subsection 4 of § 17 of this Act to fulfil other tasks, or exercises the right to refuse to perform work specified in clause 3 of § 19 of this Act.

§ 37. Reduction of wages upon failure to provide work

(1) If an employer, due to unforeseen economic circumstances beyond its control, fails to provide an employee with work to the agreed extent, the employer may, for up to three months over a period of 12 months, reduce the wages to a reasonable extent, but not below the minimum wage established by the Government of the Republic, if payment of the agreed wages would be unreasonably burdensome for the employer.

(2) Before reducing wages the employer must offer the employee other work, if possible.

(3) An employee has the right to refuse to perform work in proportion to reduction of the wages.

(4) Before reducing wages an employer must inform the trustee / shop steward or, in their absence, the employees and consult them pursuant to the procedure provided in the Employees' Trustee Act, taking into account the terms provided in this subsection. The employer must provide notice of the reduction of wages no less than 14 calendar days in advance. The trustee / shop steward or the employee must give their opinion within seven calendar days as of the receipt of the employer's notice.

(5) An employee has the right to cancel the employment contract on the grounds provided in subsection 1 of this section, notifying thereof five working days in advance. Upon cancellation of the employment contract, the employee is paid compensation to the extent provided in subsections 1 and 2 of § 100 of this Act.

§ 38. Payment of wages upon impediment to work

An employer must pay an employee average wages for a reasonable period when the employee cannot perform work due to a reason arising from the employee, but not caused intentionally or due to severe negligence or if the employee cannot be expected to perform work for another reason not attributable to the employee.

§ 39. Specifications for expiry of claims for refund of wages

An employer's claim for refund of wages and other financial claims arising from an employment relationship expire within 12 months as of the time when the employee received the wages or an advance payment of wages.

§ 40. Specifications for compensation for expenses and damage of employee

(1) An employee may demand that expenses incurred in the performance of duties be compensated for pursuant to subsections 2–4 of § 628 of the Law of Obligations Act. An agreement on compensation for expenses by way of wages is void.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(2) An employee has the right to demand compensation for expenses relating to a business trip. In the case of a business trip abroad, an employee also has the right to demand daily allowance related to the business trip abroad on the conditions and to the extent of the minimum rate established on the basis of subsection 3 of this section, unless the parties have agreed upon compensation at a higher rate.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(3) The Government of the Republic establishes by a regulation the minimum rate and conditions of daily allowance related to a business trip abroad, limiting the payment of the daily allowance based on the remoteness of the destination, the start and end time of the trip, and catering provided during the trip.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(4) An employee has the right to demand compensation for possible expenses relating to a business trip within a reasonable time before the beginning of the business trip. The employee has the right to refuse to go on a business trip if the employer has not made an advance payment within a reasonable time.

(5) Damage caused to an employee in the performance of duties is compensated on the basis of subsection 5 of § 628 of the Law of Obligations Act. It is presumed that the wages paid to the employee do not cover the damage specified in the previous sentence.

§ 41. Information concerning employee

(1) An employee has the right to access the information gathered about them and demand that incorrect information be removed or corrected.

(2) An employer must ensure the processing of personal data of an employee in accordance with legislation.
[RT I, 13.03.2019, 2 – entry into force 15.03.2019]

Subchapter 3
Working and Rest Time

§ 42. Granting time off

An employer must grant an employee time off on the conditions and in accordance with the rules prescribed in this Subchapter. An employee has the right to demand time off under the conditions prescribed in § 38 of

this Act. Upon granting time off, the interests of the employer and the employee must be reasonably taken into account.

§ 43. Working time

(1) It is presumed that an employee works 40 hours over a period of seven days (full-time work), unless the employer and the employee have agreed upon a shorter working time (part-time work).

(2) It is presumed that an employee works 8 hours a day.

(3) In the case of calculation of the summarised working time, the agreed working time of the employee per a period of seven days during the calculation period is taken into account.

(4) Unless the employer and the employee have agreed upon a shorter working time, full-time work (shortened full-time work) means:
1) in the case of an employee who is 7–12 years of age – 2 hours a day and 12 hours over a period of seven days during a quarter of an academic year outside of school hours and 3 hours a day and 15 hours over a period of seven days during school holidays;
2) in the case of an employee who is 13–14 years of age or an older employee who is subject to the obligation to attend school – 2 hours a day and 12 hours over a period of seven days during a quarter of an academic year outside of school hours and 7 hours a day and 35 hours over a period of seven days during school holidays.
[RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(4^1) If a minor who is 14 years of age and studying in a vocational educational institution is completing work practice for the purposes of the Vocational Educational Institutions Act, their working time may be 7 hours a day and 35 hours over a period of seven days. Under the same conditions, the working time of a minor who is at least 15 years of age may be 8 hours a day and 40 hours over a period of seven days.
[RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(4^2) If a minor who is subject to the obligation to attend school performs light work in the field of culture, art, sports or advertising, their working time during a quarter of an academic year outside of school hours may be 3 hours a day and 12 hours over a period of seven days.
[RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(5) An agreement by which the calculation of the summarised working time is applied with regard to an employee who is a minor by exceeding the limit provided in subsection 4 of this section is void.

(6) The working time of educational staff is established by a regulation of the Government of the Republic.

§ 43^1. Variable hours agreement in retail

(1) An employer engaged in the area of activity of retail has the right to conclude a variable hours agreement in written format with an employee who works part-time 12 hours or more over a period of seven days and whose hourly wage is at least 1.2 times the minimum hourly wage established under subsection 5 of § 29 of this Act.

(2) According to a variable hours agreement, in addition to the agreed working time the employee may perform up to eight hours of work over a period of seven days (variable hours). The agreed working time and variable hours combined may not exceed full working time.

(3) A variable hours agreement is valid only if:
1) the agreement is proposed by the employee in written format and the agreement meets the requirements provided in this section;
2) the employer keeps separate record of the employee's variable hours;
3) the agreement has not been concluded with more than 17.5 per cent of the employer's employees.

(4) The employee has the right to refuse working variable hours. On every occasion the employee must confirm their consent to variable hours in a format that can be reproduced in writing.

(5) The employer must inform the employee of the need to work under variable hours at least 24 hours in advance.

(6) In the event of calculation of summarised working time, variable hours may be summarised. In the event of summarising working hours and variable hours agreed upon with the employee the employer must use the same calculation period. In the event of calculation of summarised working time, variable hours must be included in the working time schedule where they can be clearly distinguished. At the end of the calculation period the employer must present to the employee a clear and understandable working time schedule which sets out the distinguished working hours, variable hours and overtime agreed and worked for the entire calculation period worked.
[RT I, 11.12.2021, 1 – entry into force 15.12.2021]

§ 43[2]. Employee with independent decision-making capacity

(1) An employee and an employer may agree in written form that the provisions of §§ 45, 47, 48 and 50–53 of this Act do not apply to the employee where, due to the nature of work, the employee is free to organise their own working time (employee with independent decision-making capacity).

(2) The agreement specified in subsection 1 of this section may be made with an employee with independent decision-making capacity whose wage in one month is at least the Estonian average gross monthly wage in the quarter preceding the making of the agreement on the basis of data published by Statistics Estonia.

(3) The agreement specified in subsection 1 of this section may not harm the health or safety of the employee.

(4) The calculation of the working time of an employee with independent decision-making capacity is subject to a calculation period of one month.

(5) The employee and the employer may cancel the agreement made on the basis of subsection 1 of this section at any given time by giving 14 calendar days' advance notice thereof.

(6) The agreement specified in subsection 1 of this section with a minor is void.
[RT I, 14.12.2022, 2 – entry into force 24.12.2022]

§ 44. Overtime work

(1) An employer and employee may agree that the employee undertakes to do work over the agreed working time (overtime work). In the case of calculation of the summarised working time, overtime work means work exceeding the agreed working time at the end of the calculation period.

(2) An overtime work agreement with a minor is void.

(3) An overtime work agreement with an employee who comes into contact with hazards in the working environment and whose working time has therefore been shortened pursuant to law is void.

(4) In line with the principle of good faith, an employer may demand that an employee work overtime due to unforeseen circumstances pertaining to the enterprise or activity of the employer, in particular for prevention of damage.

(5) Working overtime provided in subsection 4 of this section cannot be demanded of a minor, a pregnant woman or an employee who has the right to maternity leave.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(6) An employer must compensate for overtime work by time off equal to the overtime, unless it has been agreed that overtime is compensated for in money.

(7) Upon compensation for overtime work in money, an employer must pay an employee 1.5 times the wages.

§ 45. Compensation for night work and work done on public holiday

(1) If the working time falls on night-time (from 22:00 to 6:00), the employer must pay 1.25 times the wages for the work, unless it has been agreed that the wages include remuneration for working at night-time.

(2) If the working time falls on a public holiday, the employer must pay 2 times the wages for the work.

(3) An employer and employee may agree upon compensation for work done at night-time or on a public holiday by granting additional time off, differently from the provisions of subsections 1 and 2 of this section.

§ 46. Limit on time for performing work

(1) The summarised working time must not exceed on average 48 hours per a period of seven days over a calculation period of up to four months, unless a different calculation period has been provided by law.

(2) The calculation period specified in subsection 1 of this section may be extended by a collective agreement to up to 12 months in the case of health care professionals, welfare workers, agricultural workers and tourism workers.

(3) An employer and employee may agree upon a longer working time than that provided in subsection 1 of this section if the summarised working time does not exceed on average 52 hours per a period of seven days over a calculation period of four months and the agreement is not unreasonably detrimental to the employee. The employee may cancel the agreement at any time, notifying thereof two weeks in advance.

(4) An employee has the right to refuse to work overtime on the basis of an agreement specified in subsection 3 of this section, and the labour inspector of the seat (place of residence) of the employer has the right to prohibit or limit overtime work if the employer fails to fulfil the conditions specified in subsection 3 of this section or occupational safety and health requirements.

(5) An employer must keep separate accounts of employees working on the basis of an agreement specified in subsection 3 of this section and submit these to the labour inspector of the seat (place of residence) and the employees' representative at their request.

§ 47. Organisation of working time

(1) An employee must perform duties at the employer's enterprise or facilities at the normal time (organisation of working time), unless agreed otherwise. The organisation of working time includes, in particular, the start and end of the working time and breaks during the working day.

(2) An agreement by which a break of no less than 30 minutes during the working day has not been prescribed for work longer than 6 hours is void. Breaks during the working day are not considered working time, unless due to the characteristics of the work it is impossible to give a break and the employer gives an employee the opportunity to rest and dine during working time.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(3) An agreement by which a break of no less than 30 minutes during the working day has not been prescribed for an employee who is a minor for work longer than 4.5 hours is void. Breaks during the working day are not considered working time.

(4) An employer may unilaterally change the organisation of working time, provided the changes arise from the needs of the employer's enterprise and are reasonable, considering mutual interests.

§ 48. On-call time

(1) If an employee and employer have agreed that the employee is available to the employer for performance of duties outside of working time (on-call time), remuneration which is not less than one-tenth of the agreed wages must be paid to the employee.

(2) An agreement on the application of on-call time which does not guarantee the employee the possibility of using daily and weekly rest time is void.

(2^1) By agreement of the parties the restriction specified in subsection 2 of this section is not applied to a full-time employee whose duties are to ensure the continuous functioning of information and communication technology services and infrastructure as well as information security where:
1) the agreement is made in a form reproducible in writing;
2) the employee can perform duties that require responding during on-call time by using means of information and communication technology without having to go to their place of work;
3) the parties have agreed upon a reasonable response time during which the employee is required to start performing their duties;
4) the duration of on-call time per calendar month does not exceed 130 hours;
5) the employee is guaranteed two weekends with no work or on-call time per calendar month;
6) the agreement does not harm the health or safety of the employee.
[RT I, 14.12.2022, 2 – entry into force 24.12.2022]

(2^2) The employee and the employer may cancel the agreement made on the basis of subsection 2^1 of this section at any given time by giving 30 calendar days' advance notice thereof.
[RT I, 14.12.2022, 2 – entry into force 24.12.2022]

(3) The part of the on-call time during which the employee is in subordination to the management and control of the employer is considered working time.

§ 49. Restriction on requiring minor to work

(1) The following agreements are void:
1) an agreement by which an employee who is subject to the obligation to attend school undertakes to perform work from 20:00 to 6:00;
2) an agreement by which an employee who is 15–17 years of age and not subject to the obligation to attend school undertakes to perform work from 22:00 to 6:00.
[RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(2) Subsection 1 of this section is not applied if an employee who is a minor does light work in the field of culture, art, sports or advertising under the supervision of an adult from 20:00 to 24:00.

(3) An agreement by which an employee subject to the obligation to attend school undertakes to perform work immediately before the start of a school day is void.

§ 50. Restriction on night work

(1) An agreement by which an employee who works at least three hours of their daily working time or at least a third of their annual working time at night-time (night worker) is required to work on average more than eight hours over a period of 24 hours over a calculation period of seven days is void.

(2) An agreement by which a night worker whose health is affected by a working environment hazard or the characteristics of their work is required to work more than eight hours over a period of 24 hours is void.

(3) In the case specified in subsection 1 of this section, the 24-hour period of weekly rest time is excluded from the seven-day calculation period of the average working time of night worker.

(4) Exceptions to the restriction specified in this section may be made by an employment contract or collective agreement in the cases specified in Article 17(3) of Council Directive 2003/88/EC concerning certain aspects of the organisation of working time (OJ L 299, 18.11.2003, pp. 9–19), and provided working does not harm the employee's health and safety and the working time does not exceed the limit specified in subsection 1 of § 46 of this Act.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

§ 51. Daily rest time

(1) An agreement by which an employee is left over a period of 24 hours with less than 11 hours of consecutive rest time is void, unless otherwise provided by law.

(2) The following agreements are void:
1) an agreement by which an employee who is 7–12 years of age is left over a period of 24 hours during a quarter of an academic year with less than 22 hours of consecutive rest time and during school holidays with less than 20 hours of consecutive rest time;
2) an agreement by which an employee who is 13–14 years of age or an older employee who is subject to the obligation to attend school is left over a period of 24 hours during a quarter of an academic year with less than 21 hours of consecutive rest time and during school holidays with less than 15 hours of consecutive rest time;
3) an agreement by which an employee who is 15–17 years of age and not subject to the obligation to attend school is left over a period of 24 hours with less than 14 hours of consecutive rest time.
[RT I, 28.04.2017, 1 – entry into force 08.05.2017]

(3) Exceptions to the restriction specified in subsection 1 of this section may be made by a collective agreement in the cases specified in Article 17(3) of Council Directive 2003/88/EC concerning certain aspects of the organisation of working time (OJ L 299, 18.11.2003, pp. 9–19), and provided working does not harm the employee's health and safety.

(4) The restriction specified in subsection 1 of this section is not applied to health care professionals and welfare workers, provided working does not harm their health and safety.

(5) An employer must give an employee who works more than 13 hours over a period of 24 hours additional time off, immediately after the end of the working day, equal to the number of hours by which the 13 working hours were exceeded. An agreement by which work exceeding 13 hours is compensated for in money is void.

(6) The rest time specified in subsection 1 of this section may be portioned by employment contract or collective agreement in the cases specified in Articles 17(3) and (4) of Council Directive 2003/88/EC concerning certain aspects of the organisation of working time (OJ L 299, 18.11.2003, pp. 9–19), and provided the duration of one portion of the rest time is at least six consecutive hours and working does not harm the employee's health and safety.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

§ 52. Weekly rest time

(1) An agreement by which an employee is left over a period of seven days with less than 48 hours of consecutive rest time is void, unless otherwise provided by law.

(2) An agreement by which, in the case of calculation of the summarised working time, an employee is left over a period of seven days with less than 36 hours of consecutive rest time is void, unless otherwise provided by law.

(3) It is presumed that the weekly rest time is granted on Saturday and Sunday.

§ 53. Shortening of working time

An employer must shorten the working day preceding New Year's Day, the anniversary of the Republic of Estonia, Victory Day and Christmas Eve by three hours.

Subchapter 4
Holiday

§ 54. Right to holiday

(1) An employee has the right to a holiday pursuant to the procedure prescribed in this Subchapter.

(2) The holiday specified in §§ 63, 63^{1}, 64 and 65^{1} of this Act is granted on the employee's working day.
[RT I, 30.06.2020, 11 – entry into force 01.04.2022]

(3) The annual holiday prescribed in §§ 55–58 of this Act does not include a national holiday and public holidays.

(4) An employee is to request for the holidays provided in §§ 59–61, 63 and 63^{1} of this Act through the Social Insurance Board. The Social Insurance Board is to notify the employer of a request for holiday according to the Family Benefits Act.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

§ 55. Annual holiday

It is presumed that an employee's annual holiday is 28 calendar days, unless the employee and the employer have agreed upon a longer annual holiday or unless otherwise provided by law.

§ 56. Annual holiday of minor

It is presumed that the annual holiday of an employee who is a minor is 35 calendar days (minor's annual holiday), unless the employee and the employer have agreed upon a longer annual holiday or unless otherwise provided by law.

§ 57. Annual holiday of employee 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)]
It is presumed that the annual holiday of an employee who has been established to have partial or no work ability under the Work Ability Allowance Act is 35 calendar days, unless the employee and the employer have agreed upon a longer annual holiday or unless otherwise provided by law.
[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force changed – RT I, 17.12.2015, 1)]

§ 58. Holiday of educational staff

[RT I, 19.03.2019, 12 – entry into force 01.09.2019]

(1) The annual holiday of educational staff is up to 56 calendar days, unless the employee and the employer have agreed upon a longer annual holiday or unless otherwise provided by law.

(2) The Government of the Republic establishes by a regulation a list of positions of educational staff where the annual holiday is up to 56 calendar days, and the duration of holiday by positions.
[RT I, 19.03.2019, 12 – entry into force 01.09.2019]

§ 59. Maternity leave

[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(1) A woman has the right to maternity leave of up to 100 calendar days if a certificate for maternity leave has been issued for her under the Family Benefits Act.

(2) The maternity leave becomes collectible 70 calendar days before the estimated date of birth of the child determined by a doctor or midwife.

(3) If a woman starts using her maternity leave less than 70 calendar days before the estimated date of birth of the child determined by a doctor or midwife, the maternity leave is shortened by the respective period.

(4) If the child is born more than 70 calendar days before the estimated date of birth of the child determined by a doctor or midwife, the woman is entitled to maternity leave for 100 consecutive calendar days as of the date of birth of the child or, where the woman was performing her duties on the day the child was born, as of the day following the date of birth of the child. If the child is born less than 70 calendar days before the estimated

date of birth of the child and the woman has not started exercising her right to maternity leave, the start date of maternity leave is considered to be the date of birth of the child or, where the woman was performing her duties on the day the child was born,the day following the date of birth of the child.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(5) Application for, grant, payment and recovery of maternity benefit and notification thereof are subject to the provisions of the Family Benefits Act concerning maternity benefit.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(6) An employee is to inform her employer of taking maternity leave at least 30 calendar days in advance, unless the parties have agreed otherwise, except when giving advance notice cannot be reasonably expected considering the circumstances.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(7) If the child is stillborn or dies within 70 days after birth, the woman who was entitled to maternity leave before the birth of the child according to subsection 2 of this section will have the right to maternity leave of 100 consecutive calendar days. If by the date of death of the child the woman has taken maternity leave more than 70 calendar days, she will have the right to maternity leave of 30 consecutive calendar days as of the day following the death of the child.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

§ 60. Paternity leave

(1) A father has the right to paternity leave to the extent of 30 calendar days in one part or in parts during the period of time from 30 days before the estimated date of birth of the child determined by a doctor or midwife until the child attains three years of age. The employer has the right to refuse to grant paternity leave in a part shorter than seven calendar days.

(2) If the father of the child is deceased, fails to perform his obligation arising from the Family Law Act to raise and care for the child or files with the Social Insurance Board a written notice of waiver of paternity benefit, the right to paternity leave is held by the mother’s spouse or registered partner.

(3) Application for, grant, payment and recovery of paternity benefit and notification thereof are subject to the provisions of the Family Benefits Act concerning paternity benefit.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(4) An employee is to inform his employer of taking paternity leave at least 30 calendar days in advance, unless the parties have agreed otherwise, except when giving advance notice cannot be reasonably expected considering the circumstances.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(5) If the child is stillborn or dies within 70 calendar days after birth, the father will have the right to paternity leave of 30 consecutive calendar days regardless of whether or not he has exercised his right to paternity leave before the estimated date of birth of the child or before the death of the child.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

§ 61. Adoptive parent leave

[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(1) The right to adoptive parent leave lies with an adoptive parent who is adopting a child on the conditions and in accordance with the rules provided in Chapter 11 of the Family Law Act and who is not the spouse of a biological parent of that child. Application for, grant, payment and recovery of benefit for adoptive parent leave and notification thereof are subject to the provisions of the Family Benefits Act concerning parental benefit for adoptive parents.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2) An adoptive parent has the right to adoptive parent leave of a total of up to 70 calendar days in one part or in parts within six months as of the date of entry into force of the court judgment approving the adoption. The employer has the right to refuse to grant adoptive parent leave in a part shorter than seven calendar days.

(3) Both adoptive parents have the right to adoptive parent leave at the same time for up to 35 calendar days. If both adoptive parents take adoptive parent leave at the same time, the period of the adoptive parent leave is shortened by the number of calendar days used at the same time.

(4) If an adoptive parent has the right to parental leave subject to compensation under the Family Benefits Act of more than 70 calendar days, they will not be entitled to adoptive parent leave.

(5) If a person is adopting several children at the same time, the person will be entitled to adoptive parent leave for one child of their choice.

(6) A foster parent has the right to adoptive parent leave set out in this section. The right to adoptive parent leave arises for the foster parent as of the day of entry into a foster parent contract.

(7) If a foster parent has exercised their right to adoptive parent leave for one child, they will not be entitled to the adoptive parent leave set out in this section in the event of adopting the same child.

(8) An employee is to inform their employer of taking adoptive parent leave or interrupting their adoptive parent leave at least 30 calendar days in advance, unless the parties have agreed otherwise.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 62. Parental leave

[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(1) A parent raising a child in Estonia has the right to parental leave. Parental leave may be taken by one person at a time, except in the event provided in clause 1 of subsection 3 of § 34 of the Family Benefits Act.

(2) Parental leave may be taken until the child reaches the age of three years.

(3) An employee is to inform their employer of taking parental leave or interrupting their parental leave at least 30 calendar days in advance, unless the parties have agreed otherwise.

(4) There is no right to parental leave if the parent has been deprived of their parental legal custody or if it has been restricted and if the parent fails to perform their obligation to raise the child and care for the child.

(5) For the period of parental leave an employee has the right to parental benefit under the Family Benefits Act.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022, amended in part [RT I, 31.03.2022, 1]]

§ 63. Child leave

(1) Both parents have the right to child leave of ten working days per child until the child reaches the age of 14 years. If a parent has several children, the parent has the right to no more than a total of 30 calendar days of child leave in one calendar year.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2) If one of the parents is deceased or the population register contains no entry concerning the father of the child, a parent has the right to child leave of up to 20 working days per child until the child reaches the age of 14 years, but per several children no more than a total of 30 calendar days in one calendar year.

(3) There is no right to child leave if the parent has been deprived of their parental legal custody or if it has been restricted and if the parent fails to perform their obligation to raise the child and care for the child.

(4) In the year the child turns 14 years of age, child leave is granted regardless of whether the birth date of the child falls before or after the child leave.

(5) For child leave, one is entitled to a benefit the amount of which per one calendar day is 50 per cent of the amount of one calendar day's parental benefit calculated under the Family Benefits Act. The calculation of one calendar day's parental benefit is subject to the provisions of subsection 4 of § 39 of the Family Benefits Act concerning calculation of parental benefit for adoptive parents. If child leave is taken repeatedly, the benefit will not be recalculated in the same calendar year.

(6) The amount of one calendar day's benefit calculated in subsection 5 of this section may not be lower than the rate of average wage per working day in one month calculated on the basis of the minimum wage established by the Government of the Republic under subsection 5 of § 29 of this Act. For calculating the rate of average wage per working day in one month, the minimum wage is divided by the quotient of the number of working days per calendar year and the number 12.

(7) A person who is paid parental benefit under the Family Benefits Act has no right to a benefit for child leave.

(8) Application for, calculation, grant, payment, offset and recovery of benefit for child leave and notification thereof are subject to the General Part of the Social Code Act and the provisions of subsection 1 of § 6, subsection 2 of § 7, subsection 1 of § 8, subsection 4 of § 14, subsections 1, 2, 4–6 and 7 of § 39, § 40, second sentence of subsection 6 and subsection 8 of § 46 and § 46^4 of the Family Benefits Act insofar as not in conflict with this section.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(9) If an employee wants to take non-scheduled child leave consecutively for more than 15 calendar days, the employee is to notify the employer thereof at least 30 calendar days in advance, unless the parties have agreed otherwise.

[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 63[1]. Child leave for parents of a disabled child

(1) A mother or father of a disabled child is entitled to child leave for parents of a disabled child of one working day a month until the child attains 18 years of age.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(2) For a day of child leave for parents of a disabled child, one is entitled to a benefit in the amount of one working day's parental benefit. The calculation of the amount of one working day's parental benefit is subject to the provisions of subsection 4 of § 39 of the Family Benefits Act concerning calculation of parental benefit for adoptive parents. For calculating, person's income subject to social tax is divided by the quotient of the number of working days per calendar year and the number 12. If child leave for parents of a disabled child is used repeatedly, the benefit will not be recalculated in the same calendar year.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2[1]) Benefit for child leave for parents of a disabled child is subject to the provisions of subsection 6 of § 63 of this Act.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(3) Application for, calculation, grant, payment, offset and recovery of benefit provided in subsection 2 of this section and notification thereof are subject to the General Part of the Social Code Act and the provisions of subsection 1 of § 6, subsection 2 of § 7, subsection 1 of § 8, subsection 4 of § 14, subsections 1–2, 4–6 and 7 of § 39, § 40, second sentence of subsection 6 and subsection 8 of § 46 and § 46[4] of the Family Benefits Act insofar as not in conflict with this section.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(4) There is no right to child leave for parents of a disabled child if the parent has been deprived of their parental legal custody or if it has been restricted and if the parent fails to perform their obligation to raise the child and care for the child.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(5) In the year the disabled child turns 18 years of age, child leave is granted regardless of whether the birth date of the child falls before or after the child leave for parents of a disabled child.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(6) A claim for child leave for parents of a disabled child expires after the end of the calendar year in which the claim became collectible.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(7) A person who is paid parental benefit under the Family Benefits Act has no right to a benefit for child leave for parents of a disabled child.
[RT I, 22.10.2021, 2 – entry into force 01.04.2022]

§ 64. Child leave without pay

(1) A mother and father who is raising a child of up to 14 years of age or a disabled child of up to 18 years of age has the right to child leave without pay of up to ten working days every calendar year.
[RT I, 10.02.2012, 1 – entry into force 20.02.2012]

(2) A claim for child leave without pay expires after the end of the calendar year in which the claim became collectible.

§ 65. Additional right to parental leave, child leave, unpaid child leave, and child leave for parents of a disabled child

[RT I, 30.06.2020, 11 – entry into force 01.04.2022]

(1) A guardian and a foster parent have the right to the parental leave, child leave, unpaid child leave, and child leave for parents of a disabled child prescribed in this Subchapter.

(2) The actual caregiver of a child has the right to the parental leave prescribed in § 62 of this Act.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(3) The spouse of a parent has the right to child leave and child leave for parents of a disabled child if one parent of the child is deceased or fails to perform the obligation arising from the Family Law Act to raise and

care for the child or files with the Social Insurance Board a written notice of waiver of child leave. The spouse of a parent has the right to child leave to the extent of unused days.
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

§ 65[1]. Leave for caring for adult with profound disability

(1) An adult employee has the right to up to five working days of leave per calendar year for caring for an adult with a profound disability (carer's leave) if the employee is:
1) a relative in the ascending or descending line of the adult with a profound disability;
2) a brother, sister, half-brother or half-sister of the adult with a profound disability;
3) the spouse or registered partner of the adult with a profound disability;
4) the guardian of the adult with a profound disability;
5) the caregiver appointed to the adult with a profound disability on the basis of § 26 of the Social Welfare Act.

(2) The persons set out in subsection 1 of this section who are entitled to carer's leave have the right to a total of five working days of carer's leave per calendar year for one adult with a profound disability. One person at a time has the right to use the carer's leave.

(3) Carer's leave is compensated for according to the minimum wage established on the basis of subsection 5 of § 29 of this Act.

(4) A claim for carer's leave expires when the calendar year when the claim became collectable ends.
[RT I, 26.06.2018, 3 – entry into force 01.07.2018]

§ 66. Compensation for holiday pay from state budget

(1) Holiday pay for the part exceeding the 28 calendar days of annual holiday prescribed in §§ 56 and 57 of this Act is compensated to the extent of up to seven calendar days from the state budget through the budget of the area of government of the Ministry of Social Affairs.
[RT I, 26.06.2018, 3 – entry into force 01.07.2018]

(2) Holiday pay for the leave prescribed in § 65[1]of this Act is compensated from the state budget through the budget of the area of government of the Ministry of Social Affairs.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(3) [Repealed – RT I, 08.07.2016, 1 – entry into force 01.01.2017]

(4) For compensation from the state budget for holiday pay specified in subsections 1 and 2 of this section the employer must apply to the Social Insurance Board.
[RT I, 28.12.2017, 7 – entry into force 01.03.2018]

(5) The application specified in subsection 4 of this section must be filed per person no later than within three months as of the month the person used their holiday.
[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

(6) The Social Insurance Board refuses to accept an application when the deadline provided in subsection 5 of this section has passed.
[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

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

(8) The procedure for the payment of holiday pay compensated from the state budget and the list of data of the application for compensation are established by a regulation of the minister in charge of the policy sector.
[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

§ 67. Study leave

(1) An employee has the right to study leave on the conditions and in accordance with the rules prescribed in the Adult Education Act.

(2) An employee has the right to holiday without pay in order to take entrance examinations.

§ 68. Granting of annual holiday

(1) Annual holiday is granted for time worked.

(2) In addition to time worked, the time of temporary incapacity for work, time of holiday (except for time of parental leave and holiday without pay granted by agreement of the parties), also time when the employee has the right, pursuant to law, to refuse to do work in the case specified in clause 3 of § 19 of this Act, and other

time agreed upon between the parties are to be included in the time serving as the basis for the right to grant annual holiday.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(3) For each calendar year of work an employee has the right to annual holiday in full. If a calendar year includes periods which are not included in the time specified in subsection 2 of this section, annual holiday is granted in proportion to the time serving as the basis for the right to grant holiday.

(4) In the calendar year of commencement of employment, annual holiday is calculated for a period shorter than a calendar year in proportion to the time worked. An employee may demand holiday once they have worked for the employer for at least six months.

(5) Annual holiday must be used within the calendar year. Annual holiday is granted in parts only by agreement of the parties. At least 14 calendar days of holiday must be used by an employee successively. The employer has the right to refuse to divide annual holiday into parts shorter than seven days. An unused part of holiday is transferred to the next calendar year.

(6) The claim for annual holiday expires within one year as of the end of the calendar year for which the holiday is calculated. Expiry is suspended for the period when the employee is on maternity leave, paternity leave, adoptive parent leave or parental leave, as well as when the employee is undertaking military service or alternative service.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 69. Holiday schedule

(1) The time of annual holiday is set by the employer, taking into account the requests of employees which can be reasonably combined with the interests of the employer's enterprise.

(2) An employer draws up a holiday schedule for each calendar year and communicates it to the employee within the first quarter of the calendar year. The annual holiday and unused holiday must be indicated in the holiday schedule. If other holidays prescribed by law have been indicated in the holiday schedule, they must be granted according to the schedule.

(3) An employee must notify the employer of the use of holiday not indicated in the holiday schedule 14 calendar days in advance in a form reproducible in writing.

(4) A holiday schedule may be amended by agreement between an employer and employee.

(5) An employer has the right to interrupt or postpone a holiday due to an unforeseen substantial work organisation-related emergency, in particular for prevention of damage. The employer must compensate the employee for expenses arising from the interruption or postponement of the holiday. If the holiday was interrupted or postponed, the employer is required to grant the employee the unused portion of the holiday immediately after the circumstance interrupting or postponing the holiday ceases to exist or, by agreement of the parties, at another time.

(6) An employee has the right to interrupt, postpone or terminate prematurely a holiday due to significant reasons arising from the person of the employee, in particular due to temporary incapacity for work, maternity leave or participation in a strike. The employee has the right to demand the unused part of the holiday immediately after the impediment to using the holiday ceases to exist or, by agreement of the parties, at another time. The employee is required to notify the employer of an impediment to using the holiday at first opportunity.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

(7) The following persons have the right to demand annual holiday at a suitable time:
1) a woman immediately before and after maternity leave or immediately after parental leave;
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]
2) a man immediately after parental leave or during the maternity leave of a woman;
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]
3) a parent raising a child of up to seven years of age;
4) a parent raising a child of seven to ten years of age – during the child's school holidays;
5) a minor subject to the obligation to attend school – during school holidays.

§ 70. Holiday pay

(1) An employee has the right to receive holiday pay calculated pursuant to the procedure provided in subsection 8 of § 29 of this Act.

(2) Holiday pay is paid no later than on the penultimate calendar working day before the start of the holiday, unless the employer and the employee have agreed otherwise. An agreement, on the basis of which holiday pay is paid later than on the pay day following the use of the holiday, is void.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(3) An agreement on compensation for holiday with money or other benefits during the term of validity of employment contract is void.

§ 71. Compensation for unused holiday

Upon expiry of employment contract, the employer is required to compensate the employee in money for unused annual holiday which has not expired.

Chapter 4
LIMITATIONS OF LIABILITY OF EMPLOYEE

§ 72. Liability of employee

If an employee has breached an obligation arising from the employment contract, the employer can use the legal remedies prescribed in the Law of Obligations Act only if the employee is guilty of the breach. In evaluation of the level of diligence of the employee, the provisions of § 16 of this Act are proceeded from.

§ 73. Specifications for reduction of wages

(1) An employer may reduce wages under the conditions provided in § 112 of the Law of Obligations Act only if the employee disregarded a clear and timely instruction of the employer regarding the work results and if the instruction was reasonable, considering the goal of the performance of the duties prescribed in the employment contract, the probability of achievement of the expected result and the dependence of the performance of the obligation on the obligations of the employer and other employees.

(2) Reduction of wages is void if the employer does not exercise the right of reduction of the wages immediately after acceptance of unsatisfactory work.

(3) The employer must, upon reducing wages, take into account the provisions concerning making a claim for payment provided in § 132 of the Code of Enforcement Procedure.

§ 74. Specifications for compensation for damage

(1) If an employee has intentionally breached the employment contract, they are liable for all damage caused to the employer as a result of the breach.

(2) If an employee has breached the employment contract due to negligence, they are liable for the damage caused to the employer to the extent which is determined taking into account the employee's duties, level of guilt, instructions given to the employee, working conditions, risk arising from the nature of the work, the length of employment with the employer, behaviour so far, the employee's wages, and also reasonably expected possibilities of the employer for reduction or insurance of damage. Compensation is reduced by the damage caused as a result of a typical risk of damage relating to the activities of the employer.

(3) If an employee does not commence work without good reason or leaves employment without advance notice, the employer has the right to demand compensation for damage upon cancellation of the employment contract on the said ground. It is presumed that the size of damage corresponds to the average monthly wages of the employee. If the claim specified in this subsection is not settled with a set-off, the employer must submit it within 20 working days as of the failure by the employee to appear at work or the leaving of employment.

(4) An employer’s claim for compensation for damage against an employee for damage caused upon performance of duties expires within 12 months as of the time when the employer learnt or should have learnt of the damage caused and the person obligated to compensate for it, but not later than three years after the damage was caused.

(5) Compensation to the employer for the damage specified in this section may also be claimed by an employer’s creditor, unless the creditor's claims can be satisfied from the employer’s property. In the case of declaration of bankruptcy of the employer, a claim in the name of the employer may be filed only by the trustee in bankruptcy.

(6) The creditor or the trustee in bankruptcy have the right to file the claim specified in subsection (5) of this section also if the employer has waived the claim against the employee or has concluded a compromise contract with the employee or has otherwise limited the claim or the filing thereof by agreement with the employee or has shortened the term of expiry.

(7) Upon compensation for damage, an employer cannot rely on § 138 of the Law of Obligations Act.

§ 75. Agreement on proprietary liability

(1) By an agreement on proprietary liability an employee assumes, regardless of guilt, liability for preservation of the property given to them for performance of duties.

(2) An agreement on proprietary liability is valid only if:
1) it has been made in writing;
2) it has been delimited reasonably and recognisably for the employee in terms of space, time and objects;
3) the property entrusted to the employee can be accessed only by the employee or a definite circle of employees;
4) the upper financial limit of liability has been agreed upon;
5) the employer pays the employee reasonable compensation, considering the upper limit of liability.

§ 76. Liability of employee for damage caused to third parties

(1) If an employee is liable for damage caused to a third party in the course of performance of duties, the employer must release the employee from the obligation to compensate for damage and to bear the necessary legal expenses, and must perform these obligations itself.

(2) An employer may demand compensation for the damage specified in subsection 1 from an employee on the basis of § 74 of this Act.

(3) If an employer has, by contract, precluded the obligation to compensate for damage caused in the course of its economic activities against a third party or limited its liability or if its liability is precluded or limited pursuant to law, the preclusion or limitation must also apply to the same extent to those employees of the employer who have damaged the third party in the course of the employer's economic activities.

(4) The provisions of subsections 1–3 of this section do not preclude or limit an employee's liability for damage caused to a third party intentionally.

§ 77. Contractual penalty upon refusal to commence employment or leaving of employment without authorisation

(1) An employer and employee may agree in a form reproducible in writing on a contractual penalty for a wrongful breach of the employment contract by the employee in case of refusal to commence employment or leaving of employment, if this is done for the purposes of terminating the employment relationship.

(2) The provisions of this section do not preclude claiming of compensation for additional damage caused by a breach of an obligation on the basis of subsection 3 of § 74 of this Act to the extent not covered by the contractual penalty.

§ 78. Specifications for set-off

(1) Extrajudicially, an employer may set off its claims against an employee's wage claim by the employee's consent given in a form reproducible in writing, unless otherwise provided by law.

(2) Consent given before emergence of the right to a set-off is void, unless the employee has consented to the set-off of the amount exceeding the agreed limit of the costs incurred on behalf of the employer.

(3) Without the consent specified in subsection 1 of this section an employer may withhold from an employee's wages any advance payment, made to the employee which the employee must return to the employer and, upon expiry of employment contract, wages for unearned annual holiday.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(4) The employer must, upon set-off, take into account the provisions concerning making a claim for payment provided in § 132 of the Code of Enforcement Procedure.

Chapter 5
EXPIRY AND TRANSFER OF EMPLOYMENT CONTRACT

Subchapter 1

§ 79. Termination of employment contract by agreement

Parties may terminate both an employment contract entered into for a specified term and an employment contract entered into for an unspecified term at any time by agreement.

§ 80. Expiry of employment contract upon expiry of term

(1) An employment contract entered into for a specified term expires upon the expiry of the term.

(2) If entry into an employment contract for a specified term was in conflict with the law or a collective agreement, the contract is deemed to be entered into for an unspecified term from the start.

(3) If an employee continues to perform work after the expiry of the term of contract, the contract is deemed a contract entered into for an unspecified term, unless the employer expressed a different will within five working days as of learning or when the employer should have learnt that the employee was continuing to perform the employment contract.

§ 81. Expiry of employment contract upon death of employee

An employment contract expires upon the death of the employee.

§ 82. Prohibition on withdrawal from employment contract

Withdrawal from an employment contract is prohibited.

§ 83. Expiry of employment contract by way of cancellation

An employer and employee have the right to cancel an employment contract only on the bases provided in this Act.

§ 84. Enforcement of claims upon expiry of employment contract

(1) By expiry of employment contract, all claims arising from the employment relationship fall due.

(2) The falling due of the remuneration payable on transactions to be performed in full or in part after the expiry of the employment contract may be postponed by a written agreement, but not for more than six months.

(3) In the case of transactions performed in part, falling due may be postponed for no more than one year.

(4) In the case of insurance contracts and transactions the performance of which requires more than half a year, falling due may be postponed for no more than two years.

Subchapter 2
Cancellation

Division 1
Manners of Cancellation

§ 85. Ordinary cancellation of employment contract

(1) An employee may ordinarily cancel an employment contract entered into for an unspecified term at any time.

(2) An employee may not ordinarily cancel an employment contract entered into for a specified term, except for an employment contract entered into for the period of substitution of employee.

(3) It is presumed that cancellation is ordinary, unless the employee proves that cancellation is extraordinary.

(4) If an employee does not have a basis for extraordinary cancellation of an employment contract entered into for an unspecified term, the cancellation is deemed ordinary with the term for advance notice provided by law.

(5) An employer may not cancel an employment contract ordinarily.

§ 86. Cancellation of employment contract during probationary period

(1) An employer and employee may cancel an employment contract entered into for a specified term and an employment contract entered into for an unspecified term during a probationary period.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(2) [Repealed – RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(3) [Repealed – RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(4) An employer may not cancel the employment contract on a ground that is in conflict with the goal of the probationary period.

§ 87. Extraordinary cancellation of employment contract

An employment contract may be cancelled extraordinarily only with good reason as prescribed in this Act, by adhering to the terms for advance notice prescribed in this Act.

§ 88. Extraordinary cancellation of employment contract by employer for reason arising from employee

(1) An employer may extraordinarily cancel an employment contract with good reason arising from the employee as a result of which, upon respecting mutual interests, the continuance of the employment relationship cannot be expected, especially if the employee has:
1) for a long time been unable to perform their duties due to their state of health which does not allow for the continuance of the employment relationship (decrease in capacity for work due to state of health). A decrease in capacity for work due to state of health is presumed if the employee's state of health does not allow for the performance of duties over four months;
2) for a long time been unable to perform their duties due to their insufficient work skills, non-suitability for the position or inadaptability, which does not allow for the continuance of the employment relationship (decrease in capacity for work);
3) in spite of a warning, disregarded the employer’s reasonable instructions or breached their duties;
4) in spite of the employer’s warning been at work in a state of intoxication;
5) committed a theft, fraud or another act bringing about the loss of the employer’s trust in the employee;
6) brought about a third party’s distrust in the employer;
7) wrongfully and to a significant extent damaged the employer’s property or caused a threat of such damage;
8) violated the obligation of maintaining confidentiality or restriction of trade.

(2) Before cancellation of an employment contract, in particular on the basis specified in subsections 1 and 2 of this section, the employer must offer other work to the employee, where possible. The employer must offer other work to the employee, including organise, where necessary, the employee's in-service training, adapt the workplace or change the employee’s working conditions if the changes do not cause disproportionately high costs for the employer and the offering of other work may, considering the circumstances, be reasonably expected.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(3) An employer may cancel an employment contract due to a breach of an employee’s obligation or decrease in their capacity for work, if the cancellation is preceded by a warning given by the employer. Prior warning is not a prerequisite for cancellation if the employee cannot expect it from the employer due to particular severity of the breach of the obligation or for another reason pursuant to the principle of good faith.

(4) The employer may cancel an employment contract only within a reasonable time after they learnt or should have learnt of the circumstance serving as the basis for the cancellation.

§ 89. Extraordinary cancellation of employment contract by employer for economic reasons

(1) An employer may extraordinarily cancel an employment contract if the continuance of the employment relationship on the agreed conditions becomes impossible due to a decrease in the work volume or reorganisation of work or other cessation of work (lay-off).

(2) Lay-off is also extraordinary cancellation of an employment contract:
1) upon cessation of the activities of employer;
2) upon declaration of bankruptcy of employer or termination of bankruptcy proceedings, without declaring bankruptcy, by abatement.

(3) Before cancellation of an employment contract due to lay-off, an employer must, where possible, offer other work to the employee, except in the cases specified in subsection 2 of this section. The employer must, where necessary, organise the employee's in-service training or change the employee’s working conditions, unless the changes cause disproportionately high costs for the employer.

(4) Upon cancellation of an employment contract, the employer must take into account the principle of equal treatment.

(5) Upon cancellation of an employment contract due to lay-off, except in the cases specified in subsection 2 of this section, the employees' representative and an employee who is raising a child under three years of age have the preferential right of keeping their job.

§ 90. Collective cancellation of employment contracts

(1) Collective cancellation of employment contracts means cancellation, within 30 calendar days due to lay-off, of the employment contract of no less than:
1) 5 employees in an enterprise where the average number of employees is up to 19;
2) 10 employees in an enterprise where the average number of employees is 20–99;
3) 10 per cent of the employees in an enterprise where the average number of employees is 100 to 299;
4) 30 employees in an enterprise where the average number of employees is at least 300.

(2) Upon determining the number of employees, subsection 2 of § 18 of the Employees' Trustee Act is applied.

§ 91. Extraordinary cancellation of employment contract by employee

(1) An employee may cancel an employment contract extraordinarily with good reason, in particular, if taking into account all circumstances and mutual interests, continuance of the contract cannot be reasonably demanded.

(2) An employee may cancel an employment contract extraordinarily due to a fundamental breach of the employer's obligation, in particular if:
1) the employer has degraded the employee or threatened to do so or allowed the employee's colleagues or third parties to do so;
2) the employer has considerably delayed with payment of wages;
3) continuance of work is related to a real threat to the employee's life, health, morals or good name.

(3) An employee may cancel an employment contract extraordinarily due to a reason arising from the employee, in particular if the employee's state of health or family duties do not allow them to perform the agreed work and the employer does not provide them with suitable work.

(4) An employee may cancel an employment contract only within a reasonable time after they learnt or should have learnt of the circumstance serving as the basis for the cancellation.

§ 92. Restrictions on cancellation

(1) An employer may not cancel an employment contract on the ground that:
1) the employee is pregnant or has the right to maternity leave;
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]
2) the employee performs important family obligations, including uses the leave provided in §§ 60–65[1] of this Act or is on care leave provided in the Health Insurance Act;
[RT I, 22.10.2021, 2 – entry into force 01.04.2022]
3) the employee is not able, in a short term, to perform duties due to their state of health;
4) the employee represents other employees on the basis provided by law;
5) the full-time employee does not wish to continue working part-time or the part-time employee does not wish to continue working full-time;
6) the employee is in military service, alternative service or reserve service;
[RT I, 10.07.2012, 2 – entry into force 01.04.2013]
7) the employee requested flexible working conditions provided in the Gender Equality Act or suitable working conditions provided in subsection 1 of § 18[1] of this Act;
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]
8) the employee requested the provision of the information provided in subsection 1 or 4 of § 5 of this Act.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

(2) Unless the employer proves that it cancelled an employment contract on a basis permitted in this Act, the employment contract will be deemed to have been cancelled on the ground specified in clause 1 or 2 of subsection 1 of this section in the following cases:
1) the employee is pregnant or raising a child under three years of age;
2) within a year before the cancellation of the employment relationship, the employee applied for or used leave provided in §§ 60, 61 and 63–65[1] of this Act;
3) within a year before the cancellation of the employment relationship the employee was on care leave provided in the Health Insurance Act.
[RT I, 22.10.2021, 2 – entry into force 01.04.2022]

(3) If an employer cancels an employment contract with the employees' representative during their term of office or within a year as of the expiry of their term of office, it is deemed that the employment contract has been cancelled on the ground specified in clause 4 of subsection 1 of this section, unless the employer proves that it cancelled the employment contract on a basis permitted in this Act.

(4) Unless the employer proves that it cancelled an employment contract on a basis permitted in this Act, the employment contract will be deemed to have been cancelled on the ground specified in clause 8 of subsection 1 of this section if before the termination of the employment relationship the employee requested information about working conditions.
[RT I, 30.04.2022, 1 – entry into force 01.08.2022]

§ 93. Specifications for cancellation of employment contract with a pregnant woman or person raising a child being below the age of three years

(1) An employer may not cancel an employment contract with a pregnant woman or a woman who has the right to maternity leave, or a person who is on paternity leave, adoptive parent leave or parental leave due to lay-off, except upon cessation of the activities of the employer or declaration of the employer's bankruptcy if the activities of the employer cease or upon termination of bankruptcy proceedings, without declaring bankruptcy, by abatement.

(2) An employer may not cancel an employment contract with a pregnant woman or a woman who has the right to maternity leave due to a decrease in the employee's capacity for work.

(3) The provisions of subsections 1 and 2 of this section are applied only if the employee has notified the employer of her pregnancy or of the right to maternity leave, paternity leave, adoptive parent leave or parental leave before receipt of a declaration of cancellation or within 14 calendar days thereafter. At the request of the employer the employee must submit a certificate confirming pregnancy issued by a doctor or midwife, or the court judgment approving the adoption or a foster parent contract.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 94. Specifications for cancellation of employment contract with employees' representative

(1) Before cancellation of the employment contract with the employees' representative the employer must seek the opinion of the employees who elected the person to represent them or the trade union about the cancellation of the employment contract.

(2) The employees who elected the person to represent them or the trade union must give their opinion within ten working days as of being asked for it. The employer must take the opinion of the employees into account to a reasonable extent. The employer must justify disregard for the opinion of the employees.

Division 2
Procedure for Cancellation

§ 95. Declaration of cancellation

(1) An employment contract may be cancelled by a declaration of cancellation made in a form reproducible in writing. Declaration of cancellation made in breach of the formal requirement or a contingent declaration of cancellation is void.

(2) An employer must justify cancellation. An employee must justify extraordinary cancellation. Cancellation must be justified in a form reproducible in writing.

(3) Breach of the obligation specified in subsection 2 of this section does not affect the validity of the cancellation, but the party in breach of the obligation must compensate the other party for the damage caused thereby.

§ 96. Advance notice of cancellation due to failure to achieve goal of probationary period

An employment contract may be cancelled during a probationary period by giving no less than 15 calendar days' advance notice thereof.

§ 97. Terms for advance notice of cancellation by employer

(1) An employer may extraordinarily cancel an employment contract by adhering to the terms for advance notice provided in subsection 2 of this section.

(2) An employer must give an employee advance notice of extraordinary cancellation if the employee's employment relationship with the employer has lasted:
1) less than one year of employment – no less than 15 calendar days;
2) one to five years of employment – no less than 30 calendar days;
3) five to ten years of employment – no less than 60 calendar days;

4) ten and more years of employment – no less than 90 calendar days.

(3) On the basis specified in subsection 1 of § 88 of this Act, an employer may cancel an employment contract without adhering to the term for advance notice if, considering all circumstances and mutual interests, it cannot be reasonably demanded that the performance of the contract be continued until the expiry of the agreed term or term for advance notice.

(4) Terms for advance notice different from those provided in subsection 2 of this section may be prescribed by a collective agreement.

§ 98. Terms for advance notice of cancellation by employee

(1) An employee must notify the employer of ordinary cancellation no less than 30 calendar days in advance.

(3) An employee is not required to give to the employer advance notice of extraordinary cancellation if, considering all circumstances and mutual interests, it cannot be reasonably demanded that the performance of the contract be continued until the expiry of the agreed term or term for advance notice.

§ 99. Obligation to grant time off

If an employer cancels an employment contract extraordinarily, the employer must grant the employee within the period of advance notice time off to a reasonable extent to find new employment.

§ 100. Compensation for cancellation

(1) Upon cancellation of an employment contract due to lay-off, an employer must pay an employee compensation to the extent of one month’s average wages of the employee.

(2) Upon cancellation of an employment contract due to lay-off, an employee has the right to receive a benefit upon lay-offs on the conditions and in accordance with the rules prescribed in the Unemployment Insurance Act.

(3) Upon cancellation of an employment contract entered into for a specified term for economic reasons, except for reasons specified in clause 2 of subsection 2 of § 89 of this Act, an employer must pay an employee compensation to the extent that corresponds to the wages that the employee would have been entitled to until the expiry of the contract term. No compensation is paid if the employment contract is cancelled due to *force majeure*.

(4) If an employee cancels the employment contract extraordinarily on the ground that the employer is in fundamental breach of the contract, the employer must pay the employee compensation to the extent of three months' average wages of the employee. A court or a labour dispute committee may change the amount of the compensation, considering the circumstances of the cancellation of the employment contract and the interests of both parties.

(5) If an employer or employee gives advance notice of cancellation later than provided by law or a collective agreement, the employee or the employer has the right to receive compensation to the extent to which the employee or the employer would have been entitled to upon adhering to the term for advance notice.

§ 101. Information and consultation of employees upon collective cancellation of employment contracts

(1) Before an employer decides on collective cancellation they must consult in good time the trustee / shop steward or, in their absence, employees with the goal of reaching an agreement on prevention of the planned cancellations or reduction of the number thereof and mitigation of the consequences of the cancellations, including contribution to the seeking of employment by or re-training of the employees to be laid off.

(2) For the trustee / shop steward to be able to make proposals in consultations, the employer must in good time provide the trustee / shop steward or, in their absence, employees with all necessary information about the planned collective cancellation. The employer must submit, in a form reproducible in writing, at least the following information:
1) the reasons for the collective cancellation;
2) the number and official titles of the employees of the employer;
3) the number and official titles of those employees and the selection criteria determining the persons whose employment contracts are to be cancelled;
4) the period of time during which the employment contracts are to be cancelled;
5) the method of calculation of the compensation to be paid to the employees in addition to the benefits prescribed by law or the collective agreement.

(3) The employer must send a transcript of the information specified in subsection 2 of this section to the Estonian Unemployment Insurance Fund concurrently with the submission of the information to the trustee / shop steward or, in their absence, the employees.
[RT I 2009, 11, 67 – entry into force 01.07.2009]

(4) Upon consultation, the trustee / shop steward or, in their absence, the employees have the right to meet with the representatives of the employer and make proposals pursuant to the procedure and within the term prescribed in subsection 3 of § 113 of this Act.

§ 102. Notification of Estonian Unemployment Insurance Fund of collective cancellation

[RT I 2009, 11, 67 – entry into force 01.07.2009]

(1) After consultations an employer must submit the information specified in subsection 2 of § 101 of this Act and the information about the consultations to the Estonian Unemployment Insurance Fund in a form reproducible in writing.

(2) The employer must send a transcript of the information specified in subsection 1 of this section to the trustee / shop steward or, in their absence, the employees concurrently with the submission of the information to the Estonian Unemployment Insurance Fund.

(3) The trustee / shop steward may submit to the Estonian Unemployment Insurance Fund their opinion on the collective cancellation within seven calendar days as of sending the transcript of the information specified in subsection 2 of this section.
[RT I 2009, 11, 67 – entry into force 01.07.2009]

§ 103. Term for collective cancellation

(1) An employer may cancel employment contracts after consultation and notification of the Estonian Unemployment Insurance Fund pursuant to the provisions of subsection 1 of § 102 of this Act.

(2) Collective cancellation of employment contracts enters into force upon the expiry of the term for advance notice of cancellation, but not sooner than 30 calendar days after the time when the Estonian Unemployment Insurance Fund received the information specified in subsection 1 of § 102 of this Act. During the term specified in this section the Estonian Unemployment Insurance Fund seeks solutions to the employment problems relating to the collective cancellation.

(3) The Estonian Unemployment Insurance Fund has the right to shorten the term specified in subsection 2 of this section if the employment problems can be resolved within a shorter term.

(4) The Estonian Unemployment Insurance Fund may extend the term specified in subsection 2 of this section to up to 60 calendar days if it finds that it cannot resolve the employment problems relating to the collective cancellation within 30 calendar days.

(5) The Estonian Unemployment Insurance Fund communicates a decision to change the term specified in subsection 2 of this section to the employer in a form reproducible in writing within 14 calendar days as of the receipt of the information specified in subsection 1 of § 102 of this Act.

(6) The term of entry into force of the cancellation provided in this section is not applied if employment contracts are cancelled collectively due to termination of the activities of the company on the basis of a court judgment which has entered into force.
[RT I 2009, 11, 67 – entry into force 01.07.2009]

Division 3
Voidness and Contestation of Cancellation

§ 104. Voidness of cancellation

(1) Cancellation of an employment contract without a legal basis or in conflict with the law is void.

(2) Cancellation of the employment contract of a pregnant employee or an employee who has the right to maternity leave is also void if the woman has failed to adhere to the term specified in subsection 3 of § 93 of this Act due to reasons beyond her control.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 105. Relying on voidness of cancellation

(1) An action with the court or an application with a labour dispute committee for establishment of voidness of cancellation must be filed within 30 calendar days as of the receipt of the declaration of cancellation.

(2) If an action or application is not filed within the term or if the term for filing the action or application is not restored, the cancellation is valid from the start and the contract has expired on the date specified in the declaration of cancellation.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

§ 106. Contestation of cancellation by employer due to conflict with principle of good faith

Within 30 calendar days as of the receipt of a declaration of cancellation an employee may file an action with the court or an application with a labour dispute committee to challenge the cancellation in force due to a conflict with the principle of good faith, unless the employer cancelled the contract due to a breach of the employment contract by the employee.

§ 107. Termination of employment contract in court or labour dispute committee

(1) If a court or labour dispute committee establishes that cancellation of an employment contract is void due to the absence of a legal basis or the non-conformity with the law or nullified due to a conflict with the principle of good faith, it is deemed that the contract has not expired by cancellation.

(2) In the case provided in subsection 1 of this section, the court or labour dispute committee terminates, at the request of the employer or the employee, the employment contract as of the time when it would have expired in the case of validity of the cancellation.

(3) The court or labour dispute committee will not satisfy the employer's request provided in subsection 2 of this section if, at the time of the cancellation, the employee is pregnant or has the right to maternity leave or has been elected as the employees' representative, unless it is reasonably not possible considering mutual interests.
[RT I, 26.10.2018, 1 – entry into force 01.04.2022]

§ 108. Compensation for damage in case of continuance of employment relationship

Upon unlawful cancellation of an employment contract, if the employment relationship continues, an employee has the right to demand compensation for damage, in particular wages not received. The part obtained by way of different use of the employee's labour force may be deducted from the compensation.

§ 109. Compensation in case of termination of employment relationship in court or labour dispute committee

(1) If the court or labour dispute committee terminates an employment contract in the case specified in subsection 2 of § 107 of this Act, an employer must pay an employee compensation in the amount of three months' average wages of the employee. The court or labour dispute committee may change the amount of the compensation, considering the circumstances of the cancellation of the employment contract and the interests of both parties.

(2) If the court or labour dispute committee terminates an employment contract in the case specified in subsection 2 of § 107 of this Act with an employee who is pregnant, who has the right to pregnancy and maternity leave or who has been elected as the employees' representative, the employer must pay the employee compensation in the amount of 12 months' average wages of the employee. The court or labour dispute committee may change the amount of the compensation, considering the circumstances of the cancellation of the employment contract and the interests of both parties.
[RT I, 12.11.2021, 2 – entry into force 22.11.2021]

(3) If compensation specified in subsections 1 and 2 of this section has been awarded to an employee, the employee does not have the right to demand the wages which the employee would have been entitled to upon continuance of the employment relationship until the entry into force of the decision of the labour dispute resolution body.

(4) In case of unlawful cancellation of an employment contract by an employee, the employer has the right to claim reasonable compensation from the employee.

§ 110. Specifications for expiry of claims of employee

If an employee filed an action or an application for establishment of voidness of cancellation of an employment contract in due course, the employee's claims which fall due during the dispute and depend on the result of the dispute do not expire before three months have passed from entry into force of the decision made in the dispute.

Subchapter 3

Transfer of Employment Contract

§ 111. Validity of employment contract in case of death of employer

(1) In case of the death of an employer who is a natural person, an employment contract transfers to the employer's successors.

(2) In the case specified in subsection 1 of this section an employee may cancel an employment contract entered into for a specified term and an employment contract entered into for an unspecified term within two weeks as of the time when the employee learnt or should have learnt of the transfer of the employment contract, notifying thereof 30 calendar days in advance. Successor of an employer may cancel an employment contract entered into for a specified term and an employment contract entered into for an unspecified term within two weeks as of the time when the successor learnt or should have learnt of the transfer of the employment contract, adhering to the term for advance notice specified in subsection 2 of § 97 of this Act. This does not restrict cancellation of the employment contract on other grounds.

(3) An employment contract expires upon the death of an employer who is a natural person if the employment contract has been entered into significantly considering the person of the employer.

§ 112. Validity of employment contract in case of transfer of enterprise

(1) Employment contracts transfer to the transferee of an enterprise unamended pursuant to the Law of Obligations Act if the enterprise continues the same or similar economic activities.

(2) The restrictions provided in § 181 of the Law of Obligations Act are not applied to transfer of employment contracts.

(3) A transferor and transferee of an enterprise are prohibited from cancelling an employment contract due to the transfer of the enterprise.

(4) Subsections 1 and 3 of this section are not applied to the declaration of bankruptcy of an employer.

§ 113. Information and consultation upon transfer of enterprise

(1) The transferor and transferee of an enterprise must submit, in good time but not later than one month before the transfer of the enterprise, to the trustee / shop steward or, in their absence, the employees a notice in a form reproducible in writing, containing at least the following information:
1) the planned date of transfer of the enterprise;
2) the reasons for the transfer of the enterprise;
3) the legal, economic and social consequences of the transfer of the enterprise for the employees;
4) the measures planned with regard to the employees.

(2) If the transferor or the transferee of an enterprise intends, due to the transfer of the enterprise, to make changes affecting the situation of the employees, they must consult the trustee / shop steward or, in their absence, the employees with the goal of reaching an agreement on the measures planned.

(3) Upon consultation, the trustee / shop steward has or, in their absence, the employees have the right to meet with the representatives of the transferor and transferee of the enterprise, including members of the directing body, and make proposals, in a form reproducible in writing, relating to the measures planned with regard to the employees no later than within 15 days as of the submission of the notice specified in subsection 1 of this section, unless a longer term is agreed upon. The transferor and the transferee of the enterprise are required to justify disregard for the proposals.

Chapter 6
RESOLUTION OF DISPUTES AND STATE AND ADMINISTRATIVE SUPERVISION

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

§ 114. Resolution of disputes

Disputes arising from an employment contract are resolved on the conditions and in accordance with the rules provided in this Act and the Labour Dispute Resolution Act.
[RT I, 04.07.2017, 3 – entry into force 01.01.2018]

§ 115. State and administrative supervision

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

(1) State and administrative supervision over the fulfilment of the requirements provided in subsections 1–4 of § 5, § 7, subsections 1–3 and 8 and 9 of § 8, clauses 9–10 of subsection 2 of § 28, subsections 3 and 6 of § 29, subsection 1 of § 33, §§ 43 and 43^1, subsections 1–3 and 6 of § 43^2, subsections 2, 3 and 5–7 of § 44, § 45, subsections 1–3 and 5 of § 46, subsections 2 and 3 of § 47, subsections 1–$2^1$of § 48, §§ 49–53, subsections 1–3 of § 101, subsections 1 and 2 of § 102, and subsections 1 and 2 of § 113 of this Act is exercised by the Labour Inspectorate.
[RT I, 14.12.2022, 2 – entry into force 24.12.2022]

(2) For the exercise of the state supervision provided in this Act, the Labour Inspectorate may apply the special state supervision measures provided in §§ 30, 31, 32, 49, 50 and 51 of the Law Enforcement Act on the grounds and in accordance with the rulescoope provided in the Law Enforcement Act.
[RT I, 07.12.2016, 1 – entry into force 17.12.2016]

§ 116. Challenge proceedings concerning precept

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

Chapter 7
LIABILITY

§ 117. Failure to submit employment contract information to employee

[RT I, 09.07.2020, 1 – entry into force 30.07.2020]

(1) Failure to submit information set out in subsection 1 of § 5 of this Act by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 118. Entry into employment contract with minor for performance of work not advisable for minor or allowing minor to commence such work

(1) In violation of the requirements provided in § 7 of this Act, entry into an employment contract with a minor or allowing a minor to commence work by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 119. Entry into employment contract with minor without consent of legal representative and allowing minor to work without consent of labour inspector

[RT I, 28.04.2017, 1 – entry into force 01.07.2017]

(1) Entry into an employment contract with a minor without the consent of a legal representative and allowing a minor to work without the consent of a labour inspector, committed by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 120. Failure to perform obligation to notify of possibility of employment contract for unspecified term, full-time work and part-time work

[RT I, 09.07.2020, 1 – entry into force 30.07.2020]

(1) Failure to perform the notification obligation according to clauses 9–10 of subsection 2 of § 28 of this Act by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 121. Application of summarised working time with regard to minor by exceeding working time limit

(1) Application of summarised working time with regard to a minor by exceeding the working time limit, committed by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 122. Failure to adhere to limit of working time

(1) Failure to adhere to the limit of the working time provided in subsections 1–3 of § 46 of this Act, committed by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 123. Failure to keep account of employees working overtime individually

(1) Failure to keep account of employees working overtime individually as provided in subsection 5 of § 46 of this Act, committed by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 124. Failure to adhere to restriction on requiring minor to work

(1) Failure to adhere to the restriction on requiring a minor to work provided in § 49 of this Act, committed by an employer or an employer's management board member or another representative to whom the performance of said obligation of adherence to the restriction was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 125. Violation of restriction on night work

(1) Violation of the restriction on night work by an employer or an employer's management board member or another representative to whom the performance of said obligation of adherence to the restriction was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 126. Failure to grant daily rest time

(1) Failure to grant daily rest time by an employer or an employer's management board member or another representative to whom the performance of said obligation of granting rest time was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 127. Failure to grant weekly rest time

(1) Failure to grant weekly rest time by an employer or an employer's management board member or another representative to whom the performance of said obligation of granting rest time was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 128. Failure to perform obligation to inform and consult upon collective cancellation of employment contracts

(1) Failure to perform the obligation to inform and consult upon collective cancellation of employment contracts, committed by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 129. Failure to perform obligation to inform and consult upon transfer of enterprise

(1) Failure to perform the obligation to inform and consult upon transfer of enterprise, committed by an employer or an employer's management board member or another representative to whom the performance of this obligation was delegated
is punishable by a fine of up to 300 fine units.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

(2) The same act, if committed by a legal person,
is punishable by a fine of up to 32,000 euros.
[RT I, 29.12.2020, 2 – entry into force 08.01.2021]

§ 130. Proceedings

(1) [Repealed – RT I, 12.07.2014, 1 – entry into force 01.01.2015]

(2) The body conducting extra-judicial proceedings pertaining to the misdemeanours provided in §§ 117–129 of this Act is the Labour Inspectorate.

Chapter 8
IMPLEMENTING PROVISIONS

§ 131. Act applicable to employment contract

(1) As of 1 July 2009 the provisions of the Employment Contracts Act aree applied to an employment contract entered into before 1 July 2009.

(2) The provisions of subsection 1 of this section do not preclude or restrict the rights and obligations of the contracting parties which have arisen before 1 July 2009. The former Act is applied to the facts or acts relating to an employment contract which have emerged or which have been performed before 1 July 2009.

(3) If, after the entry into force of the Employment Contracts Act, a condition of an employment contract is in conflict with a provision of the Act which cannot be deviated from by agreement of the contracting parties, the provisions of the Act are applied instead of the condition of the contract.

§ 132. Specifications for cancellation of employment contract entered into for specified term

The provisions of the Employment Contracts Act regarding cancellation of an employment contract entered into for an unspecified term are applied to premature cancellation, after 1 July 2009, of employment contract entered into for a specified term before 1 July 2009.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

§ 133. Handing over employment record book

Employment record book held by employer at the time of entry into force of this Act is handed over to employee and public servant upon the expiry of the employment contract and service relationship.

§ 134. Entry of data of employment record book in social protection information system

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

(1) An employee and a public servant whose employment record book contains entries which have a legal meaning upon the calculation of the pension qualifying period may submit the employment record book to the Social Insurance Board for registration of the data of the employment record book.
[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

(2) An employer may submit an employment record book that an employee or a public servant has not taken out after the passing of one year as of the expiry of the employment or service relationship to the Social Insurance Board for registration of the data of the employment record book.
[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

(3) The Government of the Republic establishes the procedure for collection of the data of pension qualifying period and for entry in the social protection information system before granting pension.
[RT I, 08.07.2016, 1 – entry into force 01.01.2017]

§ 135. [Repealed – RT I 2009, 36, 234 – entry into force 01.01.2013]

§ 136. Preservation of personnel files

An employer is not required to preserve personnel files compiled by the time of entry into force of this Act.

§ 137. Expiry of claim for holiday worked for before entry into force of Act

Claim for annual holiday and additional holiday worked for before the entry into force of this Act expires within four years as of the entry into force of the Act.
[RT I 2009, 26, 159 – entry into force 01.07.2009]

§ 137[1]. Compensation for unused holiday worked for before entry into force of Act

An employer must compensate for unused annual and additional holiday worked for before the entry into force of this Act upon expiry of the employment contract, but not more than for the unused holiday of four years.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

§ 138. Transfer from accounting working years to accounting calendar years upon granting holiday

(1) Unused holiday earned or unearned holiday used before 1 January 2010 is set off against a holiday claim of the calendar year 2010 during the year 2010.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(2) Calendar months are considered the basis for the right of claim for holiday if the employee's employment relationship per calendar month has lasted for at least 15 calendar days.

(3) The results of set-off are rounded up to a whole number.

§ 139. Specifications for compensation for cancellation

(1) If before 1 January 2015 an employer cancels an employment contract, due to lay-off, with an employee whose employment relationship has by the time of entry into force of this Act lasted for at least 20 years, the Estonian Unemployment Insurance Fund pays the employee, in addition to the compensation specified in subsection 1 of § 100 of this Act, a benefit upon lay-offs to the extent of three months' average wages of the employee on the conditions and in accordance with the rules provided in the Unemployment Insurance Act.

(2) The insured person specified in subsection 1 of this section whose last employment relationship was cancelled due to lay-off has the right to an unemployment insurance benefit after 90 calendar days have passed as of the termination of the employment relationship on the conditions and in accordance with the rules provided in the Unemployment Insurance Act.

(3) Upon granting an unemployment insurance benefit in the cases specified in subsection 1 of this section, the benefit is calculated as of the expiry of the term specified in subsection 2, unless the application for receipt of the unemployment insurance benefit is submitted after the expiry of the aforementioned term. If the application for receipt of the unemployment insurance benefit is submitted after the expiry of the term, the benefit is calculated pursuant to subsection 5 of § 11 of the Unemployment Insurance Act.

§ 139[1]. Specification for grant of annual holiday

A person receiving pension for incapacity for work or national pension based on incapacity for work also has the right to the annual holiday of an employee with partial or no work ability provided in § 57 of this Act.
[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force changed – RT I, 17.12.2015, 1)]

§ 139[2]. Exercise of right to paternity leave

(1) If the child's estimated date of birth ascertained by a doctor or midwife is no later than 30 June 2020 or if the child is born before 30 June 2020, the father has the right to use paternity leave pursuant to the procedure provided in § 60 of this Act applicable until 30 June 2020.

(2) If the child's estimated date of birth ascertained by a doctor or midwife is no later than 30 June 2020 but the child is born after 30 June 2020, the father has the right to use paternity leave on the basis of § 60 of this Act which enters into force on 1 July 2020.

(3) If the father starts exercising the right provided in subsection 1 of this section before the birth of the child, he will not be entitled to paternity leave under subsection 2.

(4) If the child's estimated date of birth ascertained by a doctor or midwife is after 30 June 2020 and the child is born after 30 June 2020, the father has the right to use paternity leave on the basis of § 60 of this Act which enters into force on 1 July 2020.

(5) If the child's estimated date of birth ascertained by a doctor or midwife is after 30 June 2020, the father has the right to use paternity leave pursuant to the procedure provided in § 60 of this Act applicable until 30 June 2020.

(6) If the father starts exercising the right provided in subsection 5 of this section before the birth of the child, he will not be entitled to paternity leave under subsection 4, unless the father starts using paternity leave as of 1 July 2020.

(7) This section is applied until the expiry of the employer's right to claim compensation for holiday pay from the state budget.
[RT I, 28.12.2017, 7 – entry into force 01.09.2019]

§ 139[3]. Analysis of extension of right to holiday

By 1 January 2020 the Government of the Republic prepares an analysis and on the basis thereof makes proposals to Riigikogu for the right to carer's leave and the right of a parent of a disabled child to child leave to be extended to a person who works as a sole proprietor on the basis of a contract for the provision of services under the law of obligations or who is engaged in a profession in public law as an independent person.
[RT I, 26.06.2018, 3 – entry into force 01.07.2018]

§ 139[4]. Exercise of right to child leave

Holiday pay for a person who applied to their employer before 1 April 2022 for child leave under § 63 of this Act as in force up to 1 April 2022 and who used their child leave before said date will be compensated from the state budget according to the procedure set out in § 66 of this Act as in force up to 1 April 2022.
[RT I, 22.10.2021, 2 – entry into force 01.11.2021]

§ 139[5]. Exercise of right to pregnancy and maternity leave, child care leave, adoptive parent leave and child leave for parent of disabled child

(1) A person who has the right to pregnancy and maternity leave before 1 April 2022 is subject to the wording of this Act in force until 31 March 2022 and that person will have no right to maternity leave.

(2) As of 1 April 2022 a person's right to child care leave is considered as right to parental leave.

(3) A person who has the right to adoptive parent leave before 1 April 2022 is subject to the wording of this Act in force until 31 March 2022.

(4) A person taking a child leave for a parent of a disabled child after 1 April 2022 will have the right to a child leave for a parent of a disabled child under the wording of this Act that enters into force on 1 April 2022.

(5) If a person was on pregnancy and maternity leave, child care leave or child leave for the mother and father of a disabled child until 31 March 2022, these are taken into account as maternity leave, parental leave and child leave for a parent of a disabled child, respectively, upon granting the person rights or upon performance of their obligations as of 1 April 2022.
[RT I, 26.10.2018, 1 – entry into force 01.07.2020]

§ 139[6]. Specification of consent for employment of minor

If an employer enters the necessary information about the employment of a minor of 13–14 years of age in the employment register provided in § 25[1] of the Taxation Act less than ten working days before 1 September 2022, the minor 13–14 years of age may commence work as of 1 September 2022. If during said period of time a labour inspector has refused to grant consent for the employment of a minor of 13–14 years of age, the employment contract entered into with the minor is void under subsection 8 of § 8 of this Act.
[RT I, 22.10.2021, 2 – entry into force 01.09.2022]

§ 139[7]. Follow-up assessment of variable hours agreement

In collaboration with its social partners, the Ministry of Social Affairs will analyse the impact and efficiency of the implementation of variable hours agreements no later than in the year 2024.
[RT I, 11.12.2021, 1 – entry into force 15.12.2021]

§ 139[8]. Validity of variable hours agreements

Variable hours agreements concluded on the basis of § 43[1] of this Act will apply until the end of the term indicated in the relevant agreement but no longer than until 14 June 2024.
[RT I, 11.12.2021, 1 – entry into force 15.12.2021]

§ 139[9]. Liability of person who has commissioned subcontracting

The liability of a person who has commissioned subcontracting as provided in § 33[1] of this Act is applied to contracts entered into between the person who has commissioned subcontracting and the employer of an employee after the entry into force of this section.
[RT I, 05.10.2022, 1 – entry into force 15.10.2022]

§ 140.–§ 189.[Omitted from this text]

§ 190. Entry into force of Act

(1) This Act enters into force on 1 July 2009.

(2) Section 134 of this Act enters into force on 1 January 2011.

(3) The second sentence of § 60, subsection 1 of § 63, and clause 8 of § 177 of this Act enter into force on 1 January 2013.

(4) [Repealed – RT I, 25.05.2012, 24 – entry into force 04.06.2012]

(5) Section 135 of this Act is repealed as of 1 January 2013.
[RT I 2009, 36, 234 – entry into force 01.07.2009]

(6) Subsection 1[1] of § 60 of this Act is in force up to and including 31 March 2022.
[RT I, 28.05.2021, 12 – entry into force 07.06.2021]

[1]Council Directive 94/33/EC on the protection of young people at work (OJ L 216, 20.08.1994, pp 12–20), amended by Directive 2014/27/EU of the European Parliament and of the Council (OJ L 65, 05.03.2014, pp 1–7); Directive 2008/104/EC of the European Parliament and of the Council on temporary agency work (OJ L 327, 05.12.2008, pp 9–14); Directive (EU) 2019/1158 of the European Parliament and of the Council on work-life balance for parents and carers and repealing Council Directive 2010/18/EU (OJ L 188, 12.07.2019, pp 79–93); Directive (EU) 2019/1152 of the European Parliament and of the Council on transparent and predictable working conditions in the European Union (OJ L 186, 11.07.2019, pp 105–121). [RT I, 30.04.2022, 1 – entry into force 01.08.2022]