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## Social Tax Act

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RT I 2000, 102, 675  
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Amended by the following acts

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

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

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

## § 1. Definition of social tax

Social tax is a financial obligation which is imposed on taxpayers to obtain revenue required for pension insurance and state health insurance and which is subject to performance pursuant to the procedure, in the amount and during the terms prescribed by this Act.  
[RT I 2002, 111, 662 – entry into force 01.01.2003]

## § 2. Object of tax

(1) Social tax shall be paid:

1) on wages and other remuneration paid to employees in money;  
[RT I 2009, 5, 35 – entry into force 01.07.2009]

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

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

3) on wages and other remuneration paid to officials. For the purposes of this Act, official also means a person specified in subsection 3 of § 2 of the Public Service Act;  
[RT I, 06.07.2012, 1 – entry into force 01.04.2013]

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

5) on the business income of sole proprietors, as defined in § 14 of the Income Tax Act, after deductions relating to enterprise and permitted in the Income Tax Act have been made, taking into consideration the provisions of subsections 5 and 11 of this section, but annually on an amount not more than ten times the sum of the minimum monthly wages for the taxable period;  
[RT I, 28.12.2017, 74 – entry into force 01.01.2018]

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

7) on fringe benefits within the meaning of the Income Tax Act, expressed in monetary terms, and on income tax payable on fringe benefits;

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

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

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

(<sup>1</sup>) Social tax shall be paid on the amounts specified in subsection 1 of this section regardless of whether the relationship which is the basis for the amounts is still in force at the time the payment is made.

(<sup>2</sup>) The provisions of this Act concerning sole proprietors entered in the commercial register shall also apply to notaries and enforcement agents.

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

(<sup>3</sup>) Remuneration paid by the employer shall also include the remuneration paid by a person who ordered service from the employer on the basis of § 5<sup>2</sup> of the Working Conditions of Employees Posted to Estonia Act.  
[RT I, 07.12.2016, 1 – entry into force 17.12.2016]

(2) Social tax shall be paid on the remuneration paid to employees or officials for a particular month, but on an amount not less than the monthly rate established in § 2<sup>1</sup> of this Act.  
[RT I 2010, 38, 232 – entry into force 01.07.2010]

(<sup>1</sup>) Social tax for persons who have employment or service relationships with several employers shall be paid on an amount not less than the monthly rate specified in § 2<sup>1</sup> of this Act by the employer who for the purposes of withholding income tax, calculates basic exemption pursuant to subsections 1 and 2 of § 42 of the Income Tax Act.  
[RT I 2010, 38, 232 – entry into force 01.07.2010]

(<sup>2</sup>) If the employer who calculates basic exemption has a certificate regarding the remuneration paid to the person during the taxable period by another employer, the employer can pay the social tax for the above person on the difference between the monthly rate and the remuneration paid by the other employer, but no less than on the amount paid by the employer to the person for the month. The person shall submit to the employer who calculates basic exemption a new certificate by the fifth day of the month following the receipt of the remuneration if the amount of remuneration paid by the other employer differs from the amount specified in the certificate submitted last.  
[RT I 2010, 38, 232 – entry into force 01.07.2010]

(3) Social tax shall be paid on the remuneration paid to employees or officials for a particular month, but on an amount not less than the monthly rate specified in § 2<sup>1</sup> of this Act in proportion to the time worked during the given month, in the case of:  
[RT I 2006, 61, 459 – entry into force 01.01.2008]

1) employees who refused to do work on the grounds specified in § 19 of the Employment Contracts Act, except for holidays without pay granted by agreement of the parties;  
[RT I 2009, 26, 161 – entry into force 01.07.2009]

2) officials whose right to exercise public authority is suspended on the basis of § 83 of the Public Service Act, except for holidays without pay granted by agreement of the parties;  
[RT I, 06.07.2012, 1 – entry into force 01.04.2013]

2<sup>1</sup>) members of the Riigikogu whose authority is suspended pursuant to clauses 1 and 2 of subsection 1 of § 6 of the Status of Member of Riigikogu Act, or  
[RT I 2007, 44, 316 – entry into force 14.07.2007]

3) employees or officials who have commenced work or left employment within the given month.

(4) Social tax shall be paid on remuneration paid to employees or officials for a particular month in the case of:

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

2) employees or officials regarding whom reduced working time is applied pursuant to subsection 4 or 6 of § 43 of the Employment Contracts Act for the given month;

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

3) in the case of an employee or official who raises a child below three years of age or three or more children below 19 years of age as a parent, parent's spouse, adoptive parent, guardian, foster parent or a person taking parental leave instead of a parent;

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

4) employees or officials specified in clause 5 of subsection 4 of § 5 of the Health Insurance Act;

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

5) within up to 12 months as of the commencement of work, employees or officials who for 12 months before the commencement of work were registered as unemployed for at least six months pursuant to § 6 of the Labour Market Services and Benefits Act;

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

6) employees or officials who receive pension from the Estonian state or pursuant to social security agreements or the legislation of the European Union on the coordination of social security systems (hereinafter *persons receiving state pension*) or who have been established to have partial or no work ability pursuant to the Work Ability Allowance Act (hereinafter *persons 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]]

7) municipal council members.

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

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

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

(5) Sole proprietors shall pay social tax annually on the amount not less than the 12-fold monthly rate specified in § 2<sup>1</sup> of this Act, except the following cases:

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

2) a sole proprietor has been a person receiving state pension or a person with partial or no work ability throughout the whole taxable period;

3) a sole proprietor has been a person considered equal to an insured person on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act throughout the whole taxable period.

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

(6) Sole proprietors shall pay social tax in proportion to:

1) the number of days of registration as the sole proprietor if they have been entered in the commercial register or deleted from the commercial register during the taxable period;

2) the number of days preceding the time of becoming a person receiving state pension or a person with partial or no work ability if they have become a person receiving state pension or a person with partial or no work ability during the taxable period;

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

4) the number of days preceding the creation of the status a person considered equal to an insured person on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act if their right to be a person considered equal on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act has been created during the taxable period;

5) the number of days following the termination of the status of a person considered equal to an insured person on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act if their right to be a person considered equal on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act has terminated during the taxable period.

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

(7) If social tax for a sole proprietor is also paid by his or her employer or, based on § 6 of this Act, the state, city or rural municipality, and if the person's business income is less than the 12-fold monthly rate specified in § 2<sup>1</sup> of this Act, the amount of social tax payable on the basis of the person's business income may be less than the amount of tax calculated on the basis of the above sum on the condition that the total amount of social tax payable for him or her by the employer or, based on § 6 of this Act, the state, city, rural municipality or a legal person and payable on the basis of the business income is at least equal to the amount of tax calculated on the basis of the above sum.

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

(8) A sole proprietor who, pursuant to subsection 3 of § 3 of the Commercial Code, has notified the registrar of the commercial register of the suspension of the activities or the starting date and final date of the temporary or seasonal activity, and a notary, sworn translator and enforcement agent in whose respect the same information has been communicated to the Tax and Customs Board pursuant to § 20<sup>1</sup> of the Taxation Act shall pay social tax in proportion to the number of days of business activities.

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

(9) Income received on the business account is subject to taxation pursuant to the Simplified Business Income Taxation Act.

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

(10) Sole proprietors who are temporarily incapacitated for work for the purposes of the Health Insurance Act are entitled to pay social tax in proportion to the number of days of business activities, if they have submitted to the Tax and Customs Board the information regarding the periods of their temporary incapacity for work.

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

(11) Social tax is calculated on income not subject to income tax on the basis on subsection 10 of § 14 of the Income Tax Act from the business gains calculated on the basis of the legislation governing the charging of foreign income tax, taking account of the provisions of subsections 5<sup>3</sup>–5<sup>5</sup> of § 14 of the Income Tax Act.

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

## **§ 2<sup>1</sup>. Monthly rate of social tax**

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

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

## **§ 3. Amounts on which social tax is not imposed**

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

1) payments specified in clauses 1–2<sup>3</sup>, 6 and 14 of subsection 3 of § 13 and clauses 7 and 8 of subsection 1 of § 31 of the Income Tax Act;

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

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

3) sickness benefit corresponding to the conditions provided for in § 12<sup>2</sup> of the Occupational Health and Safety Act, which is paid to an employee for the second until the fifth calendar day and which does not exceed the average wages of the employee, and the expenses incurred by the employer in order to ensure occupational health and safety of employees arising from subsection 1 of § 13 of the Occupational Health and Safety Act;

[RT I, 21.04.2021, 1 – entry into force 01.05.2021]

4) payments made pursuant to § 3 of the President of the Republic Official Benefits Act, § 31<sup>1</sup> of the Government of the Republic Act and subsection 1 of § 62 of the Foreign Service Act;

[RT I 2010, 1, 2 – entry into force 01.01.2014 (entry into force amended RT I, 29.12.2012, 1)]

5) wage compensation paid for additional holiday days and breaks for feeding a child provided for in § 66 and 135 of the Employment Contracts Act and subsection 5 of § 10 of the Occupational Health and Safety Act;

[RT I 2010, 38, 232 – entry into force 01.07.2010 – applied retroactively as of 1 June 2009]

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

7) remuneration specified in clauses 1 and 6 of subsection 1 of § 2 of this Act paid to non-residents by an Estonian resident within the meaning of subsections 3 and 5 of § 6 of the Income Tax Act if the work is done in a foreign state;

8) amounts payable to persons who are in custodial institutions on the basis of court judgments;

9) payments made to members of the Riigikogu pursuant to §§ 30, 31, 33 and 34 of the Status of Member of Riigikogu Act;

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

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

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

12) remuneration paid to non-residents who operate as sole proprietors in a foreign state and who certify that social security charges or contributions are paid on such remuneration in that foreign state;

- 13) amounts paid on the basis of subsection 1 of § 14 of the Health Insurance Act;  
 14) cost of meals given free of charge to members of the Defence Forces during military training or training exercises, international military operations, on board an aircraft or warship belonging to the Defence Forces;  
 [RT I, 10.07.2012, 2 – entry into force 01.04.2013]  
 14) value of food ensured free of charge based on subsection 1 of § 47 of the Rescue Act and subsection 1 of § 72<sup>1</sup> of the Police and Border Guard Board Act;  
 [RT I, 27.05.2022, 2 – entry into force 01.07.2022]  
 15) payments which pursuant to an international agreement are exempt from tax in Estonia;  
 [RT I, 01.06.2013, 1 – entry into force 01.07.2013]  
 16) compensation for uniform of police officers payable on basis of subsection 8<sup>1</sup> of § 37<sup>1</sup> of the Police and Border Guard Act;  
 [RT I, 19.03.2015, 2 – entry into force 29.03.2015]  
 17) compensation specified in clause 17 of subsection 3 of § 13 of the Income Tax Act;  
 [RT I, 17.12.2015, 2 – entry into force 01.01.2016]  
 18) the calculated sickness benefit accounted for the second until the fifth calendar day and meeting the conditions provided for in § 12<sup>2</sup> of the Occupational Health and Safety Act, which corresponds to the average income of a sole proprietor per calendar day of the previous year, subject to social tax, taking account of the provisions of subsection 5 of § 2 of this Act.  
 [RT I, 21.04.2021, 1 – entry into force 01.05.2021]

#### **§ 4. Payers of social tax**

Social tax shall be paid by:

- 1) resident legal persons;
  - 2) natural persons;
  - 3) non-residents who have a permanent establishment in Estonia or who make payments specified in subsection 1 of § 2 of this Act;
  - 4) state, rural municipality and city authorities;
  - 5) the state, rural municipality or city in the cases specified in § 6 of this Act.
- [RT I 2004, 89, 604 – entry into force 01.04.2005]

#### **§ 5. Insurable persons**

For the purposes of this Act, an insurable person is a person who has received remuneration, income or a benefit specified in subsection 1 of § 2 of this Act and for whom a payer of social tax is required to pay social tax or who pays social tax for himself or herself, or a person specified in §§ 6 and 6<sup>1</sup> of this Act.  
 [RT I 02.07, 2012, 8 – entry into force 01.08.2012]

#### **§ 6. Special cases of paying social tax**

- (1) The state or legal persons in public law shall pay social tax for the following persons:  
 [RT I 2009, 26, 161 – entry into force 28.05.2009, applied retroactively as of 1 May 2009]  
 1) one parent, parent's spouse, adoptive parent, guardian or a foster parent living in Estonia and raising a child below three years of age, to whom maternity benefit, shared parental benefit or adoptive parental benefit is paid on the basis of the Family Benefits Act, taking into account the provisions of subsections 2<sup>6</sup> and 2<sup>7</sup> of this section;  
 [RT I, 31.03.2022, 1 – entry into force 01.04.2022]  
 1<sup>1</sup>) one non-working parent, parent's spouse, adoptive parent, guardian or foster parent living in Estonia, who raises three or more children below the age of 19 living in Estonia or abroad away from the family due studies abroad, at least one of whom is below eight years of age, and to whom the support for a family with many children is paid on the basis of § 21 of the Family Benefits Act, or in the event of non-payment of support, a person who has submitted a petition to the Social Insurance for the state to pay social tax on their behalf;  
 [RT I, 31.03.2022, 1 – entry into force 01.04.2022]  
 2) person receiving spousal allowance on the basis of § 67 of the Foreign Service Act and § 46 of the Public Service Act;  
 [RT I, 06.07.2012, 1 – entry into force 01.04.2013]  
 2<sup>1</sup>) officials appointed to positions or office in structural units of international defence organisations or non-working spouses accompanying persons in active service of the Defence Forces who do not receive state pension and who are not persons 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)]  
 2<sup>2</sup>) during the term of office of the President of the Republic and after the expiry of the term of office of the President of the Republic, non-working spouse of the President of the Republic who do not receive state pension and who are not persons with partial or no work ability;  
 [RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force changed – RT I, 17.12.2015, 1)]  
 3) conscripts or persons in alternative service;  
 [RT I, 10.07.2012, 2 – entry into force 01.04.2013]

3<sup>1</sup>) persons who incurred temporary incapacity for work during compulsory military service, reserve service or alternative service unless social tax is paid for the person on another basis provided for in subsection 1 of § 2 of this Act or this subsection;

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

3<sup>2</sup>) non-working spouses accompanying persons in active service of the Defence Forces seconded to a foreign state on a long-term basis for the performance of state functions who do not receive state pension and who are not persons with partial or no work ability;

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

3<sup>3</sup>) persons who terminated the conscript service for the purposes of clause 1 of subsection 1 of § 56 of the Military Service Act for two months following the day of release from the conscript service, excluding the case when social tax is paid for the person or by the person himself or herself on the basis provided for in subsection 1 of § 2 of this Act or another basis provided for in this section or if he or she is an insured person on the basis of subsection 4 of § 5 of the Health Insurance Act;

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

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

5) employees of a company, non-profit association, foundation or sole proprietor who are persons with partial or no work ability and for payment of social tax for whom the employer has submitted a corresponding application on the conditions provided for in subsection 3 of this section;

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

6) persons receiving unemployment allowance if the state does not pay social tax for them pursuant to clause 7 of this subsection;

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

6<sup>1</sup>) persons registered as unemployed pursuant to § 6 of the Labour Market Services and Benefits Act if social tax is not paid for them pursuant to clause 6 or 7 of this subsection or pursuant to clause 8 of subsection 1 of § 2 of this Act or if they have been granted a flexible old-age pension on the basis of the State Pension Insurance Act; he person has been;

[RT I, 03.01.2019, 1 – entry into 01.01.2021]

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

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

8) dependent spouses of persons specified in clause 1, 2, 4, 5 or 5<sup>1</sup> of subsection 2 or subsection 3 of § 5 of the Health Insurance Act, who are raising at least one child under 8 years of age or at least one child of 8 years of age until the child completes the first grade at school or at least three children under 16 years of age and for whom or for whose spouse the state does not pay social tax on the basis of clause 1 or 1<sup>1</sup> of this subsection;

[RT I, 26.10.2018, 1 - entry into force 05.11.2018]

9) persons receiving social benefits granted on the basis of § 140 the Social Welfare Act;

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

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

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

11) persons participating in labour market training with the duration of at least 80 hours provided for in § 13 of the Labour Market Services and Benefits Act, work practice provided for in § 15 or coaching for working life provided for in § 17 unless the state pays social tax for them pursuant to clause 6, 6<sup>1</sup> or 7 of this subsection or pursuant to clause 8 of subsection 1 of § 2 of this Act or if they have been granted a flexible old-age pension on the basis of the State Pension Insurance Act;

[RT I, 03.01.2019, 1 – entry into 01.01.2021]

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

13) persons who are granted the allowance of a rescue worker waiting for old-age pension on the basis of § 19 of the Rescue Service Act;

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

14) persons who receive a Doctoral allowance pursuant to the terms and conditions provided in subsection 1 of § 41 and § 43 of the Study Allowances and Study Loans Act;

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

15) unemployed persons enjoying international protection residing in Estonia who are of pensionable age for the purposes of § 7 of the State Pension Insurance Act and who do not receive a state pension granted in Estonia.

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

(1<sup>1</sup>) Rural municipalities or cities shall pay social tax for persons residing in Estonia who:

1) care for a disabled person pursuant to § 26 of the Social Welfare Act and to whom a rural municipality or city government pays allowance for taking care of a disabled person and who neither work nor are persons receiving state pension nor persons with partial or no work ability, or

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

2) care for a disabled child and to whom a rural municipality or city government pays allowance for taking care of a disabled child and who neither work nor are persons receiving state pension nor persons 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)]



(1<sup>2</sup>) An artistic association shall pay social tax for a creative person engaged in a liberal profession to whom the artistic association pays the support for creative activity on the basis of § 18 of the Creative Persons and Artistic Associations Act. The Ministry of Culture shall pay the support for creative activity on the basis of § 19 of the Creative Persons and Artistic Associations Act.  
[RT I, 17.04.2021, 3 – entry into force 18.04.2021]

(2) In the special cases of payment of social tax, social tax is paid on the monthly rate specified in § 2<sup>1</sup> of this Act, excluding the cases specified in subsections 2<sup>2</sup>, 2<sup>4</sup> and 2<sup>5</sup> of this section.  
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2<sup>1</sup>) [Repealed – RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2<sup>2</sup>) The social tax payable for persons specified in clause 2 of subsection 1 of this section is calculated on the spousal allowance specified in that clause.

(2<sup>3</sup>) Social tax shall be paid for a person specified in clause 3<sup>1</sup> of subsection 1 of this section during the temporary incapacity for work, but no longer than five months as of the release of the person from compulsory military service, reserve service or alternative service.  
[RT I, 10.07.2012, 2 – entry into force 01.04.2013]

(2<sup>4</sup>) The social tax payable for persons specified in clause 14 of subsection 1 of this section is calculated on the size of a Doctoral allowance established annually by the state budget.  
[RT I, 05.12.2014, 2 – entry into force 01.09.2015]

(2<sup>5</sup>) If an artistic association pays the support for creative activity to a creative person pursuant to the procedure provided for in subsection 2 of § 18 of this Act, the social tax shall be calculated on the amount of the support for creative activity paid.  
[RT I, 17.04.2021, 3 – entry into force 18.04.2021]

(2<sup>6</sup>) If both parents receive parental benefit at the same time on the basis of subsection 3 of § 34 of the Family Benefits Act in one calendar month, social tax is paid for the person who is entitled to maternity benefit. In the case of simultaneous receipt of shared parental benefit or parental benefit for adoptive parents, social tax is paid for a person who is on a parental leave or adoptive parental leave on the basis of the Employment Contracts Act. If both persons are on parental leave or adoptive parents leave at the same time, payment of social tax continues for the person for whom the social tax was paid last. If neither person is on parental leave, payment of social tax continues for the person for whom the social tax was paid last.  
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2<sup>7</sup>) Upon termination of the payment of parental benefit, social tax is paid for the person who is on parental leave pursuant to the Employment Contracts Act. If neither of the persons is on parental leave, payment of social tax continues for the person for whom the state last paid social tax or who has submitted a petition to the Social Insurance Board for the state to pay social tax on their behalf.  
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(2<sup>8</sup>) Upon the transfer of the first payment of family benefits to another Contracting State of the European Economic Area (hereinafter referred to as a Contracting State) or to the Swiss Confederation under Regulation (EC) No 883/2004 of the European Parliament and of the Council on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1–123) social tax is paid on the basis of clauses 1, 1<sup>1</sup> and 10 of this section for the parent residing in Estonia and raising children residing in Estonia, who is not insured in another Contracting State or in the Swiss Confederation.  
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(3) The social tax on the part of remuneration specified in clause 1 of subsection 1 of § 2 of this Act paid to persons specified in clause 5 of subsection 1 of this section exceeding the monthly rate specified in § 2<sup>1</sup> of this Act shall be paid by the company, non-profit association, foundation or sole proprietor specified in clause 5 of subsection 1 of this section. If a person specified in clause 5 of subsection 1 of this section is in an employment relationship with several companies, non-profit associations, foundations or sole proprietors specified in the same clause, then the legal person in public law shall pay the social tax for the employer who, for the purposes of withholding income tax, calculates basic exemption pursuant to subsections 1 and 2 of § 42 of the Income Tax Act. If the person has not submitted an application for calculating basic exemption to any of the employers, he or she shall choose by a written declaration one employer for whom the legal person in public law shall pay the social tax.  
[RT I, 13.12.2014, 1 – entry into force 01.07.2016 (entry into force changed – RT I, 17.12.2015, 1)]

(3<sup>1</sup>) The social tax for the person specified in clause 6<sup>1</sup> of subsection 1 of this section shall be paid as of the 31<sup>st</sup> day as of his or her registration as unemployed.  
[RT I 2006, 61, 459 – entry into force 01.01.2007]

(3<sup>2</sup>) If a person complies with several conditions provided for in clauses 1–3<sup>3</sup> and 6–15 of subsection 1 or subsection 1<sup>1</sup> or 1<sup>2</sup> of this section, social tax is paid for them once on the amount provided for in subsection 2 of this section taking into account the specifications provided for in subsections 2<sup>2</sup>, 2<sup>4</sup> and 2<sup>5</sup>.  
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(3<sup>3</sup>) Social tax is paid on the basis of clauses 1, 1<sup>1</sup> and 10 and thereafter clause 8 of subsection 1 of this section only for one person raising a child or children in the order provided for in the clauses provided for in this subsection.  
[RT I, 31.03.2022, 1 – entry into force 01.04.2022]

(4) The social tax specified in subsections 1 and 1<sup>1</sup> of this section shall be paid by the authority or legal person in public law for which the corresponding expenditure is prescribed in the state, rural municipality or city budget. The social tax specified in subsection 1<sup>2</sup> of this section shall be paid by an artistic association or the Ministry of Culture, which pays the support for creative activity on the basis of the Creative Persons and Artistic Associations Act. The procedure for payment of the social tax shall be established by the minister in charge of the policy sector.  
[RT I, 17.04.2021, 3 – entry into force 18.04.2021]

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

## **§ 6<sup>1</sup>. Special case of paying social tax by sole proprietors**

(1) A sole proprietor, except for persons specified in subsection 1<sup>2</sup> of § 2 of this Act, shall pay social tax for the spouse who is entered in the employment register as the spouse participating in the activity of the sole proprietor's enterprise.  
[RT I, 07.12.2018, 1 - entry into force 17.12.2018]

(2) The sole proprietor shall pay social tax for the spouse participating in the activity of the sole proprietor's enterprise on the monthly rate specified in § 2<sup>1</sup> of this Act, except for the case provided for in subsection 4 of this section and in case:

1) the sole proprietor has entered during the taxable period the spouse participating in the activity of the sole proprietor's enterprise in the employment register or deleted the spouse from the register;  
[RT I, 07.12.2018, 1 - entry into force 17.12.2018]

2) the spouse participating in the activity of the sole proprietor's enterprise throughout the entire taxable period has been a person receiving state pension or a person with partial or no work ability or has become such person during the taxable period, or

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

3) a certificate of incapacity has been issued to the spouse participating in the activity of the sole proprietor's enterprise in respect to the taxable period or a part thereof.

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

1) the number of days entered in the register as the spouse participating in the activity of the sole proprietor's enterprise;

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

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

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

(4) A sole proprietor who, pursuant to subsection 3 of § 3 of the Commercial Code, has notified the registrar of the commercial register of the suspension of the activities or the starting date and final date of the temporary or seasonal activity, or who is deleted from the commercial register, shall pay the social tax for the spouse participating in the activity of the sole proprietor's enterprise in proportion to the number of days of business activities during the taxable period.

[RT I, 02.07.2012, 8 – entry into force 01.08.2012]

## **§ 6<sup>2</sup>. Special procedure for payment of social tax on wages and other remuneration paid to crew members**

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

authorising the grant of State aid. The beneficiary of State aid is a person specified in § 4, who pays social tax at the rate and on the amount specified in subsection 2<sup>1</sup> of § 7.

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

(2) The beneficiary of State aid shall not:

- 1) be an undertaking in difficulty within the meaning of the European Commission Guidelines on State aid granted for rescuing and restructuring of non-financial undertakings in difficulty;
- 2) have failed to perform the obligation to repay State aid declared illegal and incompatible with the internal market on the basis of the European Commission decision.

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

(3) The Ministry of Economic Affairs and Communications or an authority authorised thereby shall calculate the amount of State aid on the basis of the appropriate information received from the Tax and Customs Board and enter the information in the register of State aid and de minimis aid provided for in § 49<sup>2</sup> of the Competition Act, as well as exercise supervision over the compliance with State aid rules specified in subsection 1 of this section.

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

(4) State aid procedure specified in this section shall be applied until the conditions specified in subsection 2 of this section and subsections 5 and 6 of § 13 of the Income Tax Act are met, but no longer than the expiry of the relevant European Commission decision authorizing the granting of State aid. In the event of non-compliance with the requirements for the implementation of State aid, the right to re-apply State aid after the expiry of the relevant European Commission decision authorizing the granting of State aid, provided that the European Commission has granted a new State aid authorization and the conditions for State aid implementation are met.

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

## **§ 7. Tax rate**

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

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

(2<sup>1</sup>) The social tax rate on the amount specified in clause 8 of subsection 4 of § 2 of this Act is 20 per cent.

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

(3) In the cases provided for in clauses 3<sup>1</sup>, 3<sup>2</sup>, 3<sup>3</sup>, 6, 6<sup>1</sup>, 8, 9, 11, 13 and 15 of subsection 1 of § 6 of this Act and in the case of the unemployment insurance benefits provided for in the Unemployment Insurance Act, the rate of social tax is 13 per cent of the taxable amount.

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

(4) The rate of social tax In the cases provided for in clauses 1 and 5 of subsection 1 of § 6 of this Act is 20 per cent of the taxable amount.

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

## **§ 8. Taxable period**

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

(2) The taxable period for social tax on the business income of a sole proprietor is one calendar year.

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

## **§ 9. Procedure for payment of social tax**

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

- 1) calculate social tax for every insurable person on amounts provided for in clauses 1–4, 6, 8 and 9 of subsection 1 of § 2 of this Act which are subject to social tax, and pay social tax at the rate specified in § 7, having regard to the provisions of clause 2 of this subsection;
- 2) pay social tax on amounts provided for in clauses 4 and 6 of subsection 1 of § 2 of this Act which are subject to social tax, unless the recipient of the remuneration is entered in the commercial register as a sole proprietor and the remuneration is the business income of the recipient;

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

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

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

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

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

6) issue, at the request of a person to whom amounts which are subject to social tax have been paid or for whom social tax has been paid pursuant to subsection 1, 1<sup>1</sup> or 1<sup>2</sup> of § 6 of this Act, a certificate to the person concerning such amounts and the social tax calculated. [RT I, 10.01.2014, 2 – entry into force 20.01.2014]

(1<sup>1</sup>) In case a taxpayer has been declared bankrupt, the declaration specified in clause 4 of subsection 1 of this section shall be submitted separately for the part of taxable period preceding the declaration of bankruptcy and the part of the taxable period following the declaration of bankruptcy. [RT I, 18.11.2010, 1 – entry into force 01.01.2011]

(1<sup>2</sup>) A sole proprietor is required to calculate in respect to the spouse participating in the activity of the sole proprietor's enterprise the social tax payable on the basis of § 6<sup>1</sup> of this Act, to transfer it to the bank account of the Tax and Customs Board by the tenth day of the month following the taxable period and to submit the corresponding tax return to the Tax and Customs Board by the same date. [RT I, 02.07.2012, 8 – entry into force 01.08.2012]

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

(3) Sole proprietors are required to:

1) pay social tax for the current quarter during the taxable period as advance payments into the bank account of the Tax and Customs Board by the fifteenth day of the third month of each quarter in the amount calculated on the basis of triple the monthly rate specified in § 2<sup>1</sup> of this Act, except persons who have received state pension or persons with partial or no work ability or persons considered equal to an insured person on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act throughout the whole quarter, and except in the cases provided for in subsections 4, 5 and 5<sup>1</sup> of this section; [RT I, 28.12.2017, 74 – entry into force 01.01.2018]

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

(4) If social tax for a sole proprietor is also paid by the employer or, based on § 6 of this Act, the state, city, rural municipality or a legal person, the amount of advance payments made by him or her may be less than the amount of tax calculated on the basis of triple the monthly rate specified in § 2<sup>1</sup> of this Act, if the total amount of social tax payable for him or her by the employer or, based on § 6 of this Act, the state, city, rural municipality or a legal person and of social tax payable by him or her as advance payments during the taxable period is equal to the amount of tax calculated on triple the monthly rate specified in § 2<sup>1</sup> of this Act. Social tax paid by the employer or, on the basis of § 6 of this Act, the state, city, rural municipality or a legal person shall be calculated in total from the beginning of the calendar year. [RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(5) Sole proprietors shall make advance payments of social tax in proportion to:

1) the number of days of registration as the sole proprietor if a sole proprietor has been entered in the commercial register or deleted from the commercial register during the quarter specified in clause 1 of subsection 3 of this section;

2) the number of days preceding the time of becoming a person receiving state pension or a person with partial or no work ability if they have become a person receiving state pension or a person with partial or no work ability during the quarter specified in clause 1 of subsection 3 of this section;

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

4) the number of days preceding the creation of the status a person considered equal to an insured person on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act if their right to be a person considered equal on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act has been created during the quarter specified in clause 1 of subsection 3 of this section;

5) the number of days following the termination of the status of a person considered equal to an insured person on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act if their right to be a person considered equal on the basis of clause 5 of subsection 4 of § 5 of the Health Insurance Act has terminated during the quarter specified in clause 1 of subsection 3 of this section. [RT I, 28.12.2017, 74 – entry into force 01.01.2018]

(5<sup>1</sup>) A sole proprietor who, pursuant to subsection 3 of § 3 of the Commercial Code, has notified the registrar of the commercial register of the suspension of the activities or the starting date and final date of the temporary or seasonal activity, and a notary, sworn translator and enforcement agent in whose respect the same information has been communicated to the Tax and Customs Board pursuant to § 20<sup>1</sup> of the Taxation Act shall make advance payments in proportion to the number of days of business activities. [RT I, 28.12.2017, 74 – entry into force 01.01.2018]

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

- 1) calculate the additional amount of tax due on the basis of a natural person income tax return and information in the register of taxable persons, and issue a tax notice concerning the amount of tax due to a sole proprietor at least thirty days prior to the due date for payment of tax;
- 2) refund overpaid amounts of social tax to the bank account indicated in a tax return by a sole proprietor by 1 October of the year following the taxable period, except in the cases prescribed in the Taxation Act.

(6<sup>1</sup>) A tax notice shall not be issued in the case of an electronically submitted tax return. The tax authority shall disclose the tax accounting in the e-service environment of the Tax and Customs Board „e-Tax Board/ e-Customs“ and shall notify of the date of creation of obligations and possibilities to examine tax accounting in the environment „e-Tax Board/ e-Customs“.

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

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

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

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

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

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

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

## **§ 10. Receipt of tax**

(1) Pursuant to clauses 4 and 5 of subsection 1, subsection 1<sup>2</sup> and clauses 1 and 2 of subsection 3 of § 9 of this Act, the Tax and Customs Board shall transfer the received social tax into the state pension insurance funds and the state health insurance funds of the state budget within fifteen working days as of the receipt of the money.

[RT I, 02.07.2012, 8 – entry into force 01.08.2012]

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

(3) If, pursuant to the Funded Pensions Act, an insurable person specified in this Act is required to make contributions to a mandatory funded pension, social tax calculated on remuneration specified in clauses 1–4, 6, 8 and 9 of subsection 1 of § 2 and clause 2 of subsection 1 of § 6 of this Act shall be transferred pursuant to subsection 4 of this section.

[RT I 2006, 26, 193 – entry into force 01.01.2007]

(3<sup>1</sup>) If, pursuant to the Funded Pensions Act, a sole proprietor is required to make contributions for a mandatory funded pension, social tax calculated on remuneration specified in clause 5 of subsection 1 of § 2 of this Act shall be transferred pursuant to subsection 4<sup>1</sup> of this section.

(4) In the case provided for in subsection 3 of this section, the Tax and Customs Board shall transfer the received social tax into the state pension insurance funds and the state health insurance funds of the state budget and to the bank account of the registrar of the pension register within fifteen working days. The share of social tax transferred into the state pension insurance funds shall be 16 per cent, the share of social tax transferred into the state health insurance funds shall be 13 per cent, and share of social tax transferred into the bank account of the registrar of the pension register shall be 4 per cent.

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

(4<sup>1</sup>) In the case provided for in subsection 3<sup>1</sup> of this section, the Tax and Customs Board shall transfer the amounts corresponding to the state pension insurance part and state health insurance part of the received social tax into the state pension insurance funds and the state health insurance funds of the state budget within fifteen working days. The Tax and Customs Board shall transfer the mandatory funded pension part of social tax into the bank account of the registrar of the pension register within fifteen working days after the term provided for in clause 2 of subsection 3 of § 9 of this Act. The share of social tax transferred into the state pension insurance funds shall be 16 per cent, the share of social tax transferred into the state health insurance funds shall be 13 per cent, and share of social tax transferred into the bank account of the registrar of the pension register shall be 4 per cent.

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

(4<sup>2</sup>) If, pursuant to the Funded Pensions Act, a sole proprietor was required to pay a mandatory funded pension payment within four months of the tax payment period, the rate of the part to be transferred to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act from one third of the social tax paid on the business income of the sole proprietor is 16 per cent and the rate of the part to be transferred to the bank account of the registrar of the pension register is 4 per cent. The rate of the part to be transferred to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act from two-thirds of the social tax paid on business income is 20 per cent and no part of social tax shall be transferred into the bank account of the registrar of the pension register.  
[RT I, 27.10.2020, 1 – entry into force 06.11.2020]

(4<sup>3</sup>) If, pursuant to the Funded Pensions Act, a sole proprietor was required to pay a mandatory funded pension payment within eight months of the tax payment period, the rate of the part to be transferred to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act from one third of the social tax paid on the business income of the sole proprietor is 16 per cent and the rate of the part to be transferred to the bank account of the registrar of the pension register is 4 per cent. The rate of the part to be transferred to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act from two-thirds of the social tax paid on business income is 20 per cent and no part of social tax shall be transferred into the bank account of the registrar of the pension register.  
[RT I, 27.10.2020, 1 – entry into force 06.11.2020]

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

## **§ 11. Release of data**

(1) The procedure for the release of information from the register of taxable persons to the Social Insurance Board and the health insurance fund shall be established by the minister in charge of the policy sector.

(2) Concurrently with the transfer of social tax specified in subsections 4 and 4<sup>1</sup> of § 10 of this Act, the Tax and Customs Board shall forward to the registrar of the pension register the following information concerning persons whose amounts were transferred to the registrar of the pension register:  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

- 1) the name of the person;
- 2) personal identification code;
- 3) the amount of the part of social tax transferred to the registrar of the pension register;  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]
- 4) the registry code or the personal identification code of the payer of social tax.

(3) The procedure for the forwarding of information to the registrar of the pension register and transfer of amounts specified in subsections 4 and 4<sup>1</sup> of § 10 of this Act, and for the correction of errors related thereto shall be established by a regulation of the minister in charge of the policy sector.  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

## **§ 12. Specification of information**

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

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

## **§ 12<sup>1</sup>. Receipt of data**

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

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

## **§ 13. Implementation of Act**

(1) The social tax payable pursuant to the Republic of Estonia Social Tax Act after the entry into force of this Act shall be transferred to the bank account of the Tax and Customs Board; arrears of social tax arising on the basis of the specified Act shall be collected by the Tax and Customs Board. Upon receipt, the aforementioned amounts shall be transferred to the state pension insurance and health insurance funds without reference to each insurable person separately.

(2) Social tax payable pursuant to the Social Tax Act after the entry into force of this Act shall be declared, paid and refunded pursuant to the provisions of the specified Act.

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

(4) If the person specified in clause 6<sup>1</sup> of subsection 1 of § 6 of this Act as at 1 January 2007 has been registered as unemployed for over 30 days, social tax shall be paid for him or her as of 1 January 2007.  
[RT I 2006, 61, 459 – entry into force 01.01.2007]

(5) The provisions of this Act concerning a sole proprietor entered in the commercial register shall apply to sole proprietors registered in the regional structural unit of the Tax and Customs Board during the period of re-registration as of 1 January 2009 until their deletion from the register of taxable persons.  
[RT I 2008, 60, 331 – entry into force 01.01.2009]

(6) As of 1 June 2009 until 31 December 2010, the share of social tax paid on remunerations specified in clauses 1–4, 6, 8 and 9 of subsection 1 of § 2 and clause 2 of subsection 1 of § 6 of this Act (hereinafter in this section *remuneration*) which is transferred into the state pension insurance funds as provided for in the second sentence of subsection 4 of § 10 shall amount to 20 per cent, and no share of social shall be transferred into the bank account of the registrar of the pension register.  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(7) The share of social tax paid on 5/12 of the business income of a sole proprietor received in 2009 which is transferred into the state pension insurance funds as provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act shall amount to 16 per cent, and the share transferred into the bank account of the registrar of the pension register shall amount to 4 per cent. The share of social tax paid on 7/12 of the business income received in 2009 which is transferred into the state pension insurance funds as provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act shall amount to 20 per cent, and no share of social shall be transferred into the bank account of the registrar of the pension register.  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(8) The share of social tax paid on the business income received in 2010 which is transferred into the state pension insurance funds as provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act shall amount to 20 per cent, and no share of social shall be transferred into the bank account of the registrar of the pension register.  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

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

(10) If an insurable person specified in this Act is a person born in 1942–1954 who pursuant to subsection 4 of § 67<sup>1</sup> of the Funded Pensions Act submitted an application for making contributions, the provisions of subsections 6–9 of this section shall not apply to social tax paid on the remuneration and business income received in 2010 and 2011.  
[RT I 2009, 26, 161 – entry into force 28.05.2009]

(11) If an insurable person specified in this Act who was born in 1955 or later has submitted an application for making contributions provided for in subsection 4 of § 67<sup>1</sup> of the Funded Pensions Act, the share of social tax paid on the remuneration and business income received in 2014–2017 which is transferred into the state pension insurance funds as provided for in second sentence of subsection 4 of § 10 and the third sentence of subsection 4<sup>1</sup> of § 10 of this Act shall amount to 14 per cent, and the share transferred into the bank account of the registrar of the pension register shall amount to 6 per cent.  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(12) If an insurable person specified in this Act has submitted an application provided for in subsection 1 of § 67<sup>2</sup> of the Funded Pensions Act, the share of social tax paid on the remuneration and business income received during four years following the submission of the application which is transferred into the state pension insurance funds as provided for in second sentence of subsection 4 of § 10 and the third sentence of subsection 4<sup>1</sup> of § 10 of this Act shall amount to 14 per cent, and the share transferred into the bank account of the registrar of the pension register shall amount to 6 per cent.  
[RT I, 26.06.2017, 1 – entry into force 06.07.2017]

(13) The wording of clause 5 of § 3 of this Act which entered into force on 1 July 2010 shall be applied retroactively as of 1 July 2009.

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

(14) In the case provided for in subsection 43 of § 61 of the Income Tax Act, the social tax paid on fringe benefits made before 1 January 2011 and on income tax paid for these fringe benefits may be deducted from the social tax payable pursuant to clause 7 of subsection 1 of § 2 of this Act.

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

(15) The condition of partial or no work ability provided for in clause 5 of subsection 1 of § 6 of this Act is deemed to be complied with also in case of a person who has been established to have permanent incapacity for work of at least 40 per cent on the basis of the State Pension Insurance Act.

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

(16) A person receiving state pension provided for in this Act is also a person to whom the payment of the old-age pension has been suspended on the basis § 25<sup>1</sup> of the State Pension Insurance Act.

[RT I, 03.01.2019, 1 – entry into force 01.01.2021]

(17) The obligation to pay social tax on the monthly rate provided for in subsection 2 of § 2 and subsection 2 of § 6<sup>1</sup> of this Act shall not be applied in March, April and May 2020.

[RT I, 21.04.2020, 1 – entry into force. 01.05.2020, applied retroactively as of 1 March 2020]

(18) The advance payment for the first quarter of 2020 determined on the basis of clause 1 of subsection 3 of § 9 of this Act shall be paid to the Tax and Customs Board by the state on behalf of a sole proprietor.

[RT I, 21.04.2020, 1 – entry into force. 01.05.2020, applied retroactively as of 1 March 2020]

(19) If an insured person specified in this Act is a person born in 1942–1960, who has submitted an application for non-payment of contributions pursuant to subsection 1 of § 67<sup>3</sup> of the Funded Pensions Act, the rate of the part of the social tax to be transferred to the state pension insurance funds provided for in the second sentence of subsection 4 of § 10 of this Act on the remuneration paid to him or her and on the amounts received on his or her business account from 1 December 2020 until 31 August 2021 shall be 20 per cent, and the part of the social tax shall not be transferred to the bank account of the registrar of the pensions register.

[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

(20) If an insured person specified in this Act is a sole proprietor born in 1942–1960, who has submitted an application for non-payment of contributions pursuant to subsection 1 of § 67<sup>3</sup> of the Funded Pensions Act, the rate of the part of the social tax to be paid to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act paid on one twelfth of his or her business income in 2020 and on two thirds of the income received in 2021 shall be 20 per cent and the part of the social tax shall not be transferred to the bank account of the registrar of the pensions register. The rate of the part of the social tax paid on eleven twelfths of business income received in 2020 and on one third of income received in 2021 to be paid to state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act shall be 16 per cent and the rate of the part to be transferred to the bank account of the registrar of pensions register shall be 4 per cent.

[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

(21) If the insured person specified in this Act is a person born in 1961 or later, the rate of the part of the social tax to be transferred to the state pension insurance funds provided for in the second sentence of subsection 4 of § 10 of this Act on the remuneration paid to him or her and on the amounts received in his or her business account from 1 July 2020 to 31 August 2021 shall be 20 per cent and the part of the social tax shall not be transferred to the bank account of the registrar of pensions register.

[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

(22) If an insured person specified in this Act is a self-employed person born in 1961 or later, the rate of the part of social tax to be transferred to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act on half of his or her business income in 2020 and on two thirds of the income received in 2021 shall be 20 per cent and the part of social tax shall not be transferred to the bank account of the registrar of the pensions registrar. The rate of the part of the social tax to be paid to the state pension insurance funds provided for in the third sentence of subsection 4<sup>1</sup> of § 10 of this Act on half of the business income in 2020 and on the amount of one third of the income received in 2021 shall be 16 per cent and the rate of the part to be transferred to the bank account of the registrar of the pensions register shall be 4 per cent.

[RT I, 21.04.2020, 1 – entry into force. 01.07.2020]

**§ 14.–§ 16.**[Omitted from this text.]

## **§ 17. Entry into force of Act**

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

(2) Subsections 2 and 3 of § 7 of this Act enter into force on 1 January 2002.



<sup>1</sup>Directive 2010/41/EU of the European Parliament and of the Council on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OJ L 180, 15.07.2010, p. 1–6). [RT I, 02.07.2012, 8 – entry into force 01.08.2012]