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Employment Programme for 2017 to 2020

Extract

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§ 19¹. Wage compensation

(1) Wage compensation shall be paid to employees whose employer's operation has been considerably disrupted by extraordinary circumstances.

(2) A considerable disruption in the operation referred to in subsection (1) of this section is deemed to be a situation where at least two of the following conditions are concurrently met:

1) the employer's turnover or, in the absence of turnover, the employer's income in the calendar month for which compensation is sought has decreased at least 30% compared to the turnover or income of the same calendar month of the previous year;

2) the employer cannot provide at least 30% of its employees with work to the agreed extent and the employer applies § 35 or § 37 of the Employment Contracts Act;

3) under § 37 of the Employment Contracts Act, the employer has reduced the wages of at least 30% of its employees to the extent of at least 30% or to the minimum wage established by the Government of the Republic.

(3) Wage compensation shall be paid to employees whom their employer cannot provide with work to the agreed extent and whose employer applies § 35 or § 37 of the Employment Contracts Act.

(4) The Unemployment Insurance Fund shall pay an employee compensation of 70% of the employee's average wage but as a gross amount no more than 1000 euros per one calendar month, taking into account the provisions of subsection (7) of this section. The employee's average wage shall be calculated on the basis of § 14² (2) of the Unemployment Insurance Act.

(5) This compensation is considered as wage paid by the employer, which the Unemployment Insurance Fund shall pay to an employee in the name of the employer and at the expense of the Unemployment Insurance Fund.

(6) An employee who is paid wage compensation shall be paid gross wages of at least 150 euros by their employer.

(7) The compensation paid by the Unemployment Insurance Fund along with the wage referred to in subsection (6) of this section shall ensure an employee at least the minimum wage established by the Government of the Republic corresponding to the working time agreed upon in the employee's employment contract.

(8) An employee is entitled to wage compensation for up to two calendar months during which time their employer meets the conditions set out in subsection (2) of this section.

(9) The employer shall refund the compensation in full if the employment relationship is terminated in the calendar month for which wage compensation is sought or in the following calendar month due to lay-off under § 89 or § 90 of the Employment Contracts Act.

(10) In order to apply for this compensation the employer shall file with the Unemployment Insurance Fund an application for each calendar month after the payment of wages to employees, generally within five calendar days.

(11) The employer shall set out in the application:

1) the name, personal identification code or in the absence of the latter date of birth, address or e-mail address and bank account number of the employee who was not provided with work to the agreed extent or whose wage was reduced;

2) the employer's name, personal identification code or registry code, and address or e-mail address;

3) reasons and evidence concerning changes in turnover or income, failure to provide work to the agreed extent or reduction of wages;

4) confirmation of payment of the portion referred to in subsection (6) of this section.

(12) At the request of the Unemployment Insurance Fund, the employer shall present additional information necessary for granting the compensation along with underlying documents.

(13) The Unemployment Insurance Fund shall pay the compensation using the reserves of the foundation of the labour market services and benefits, provided the reserves of the foundation of the labour market services and benefits have the financial resources for paying compensation.

[\[RT I, 20.03.2020, 2](#) – entry into force 23.03.2020 – § 19¹ remains in effect until 30.06.2020]