

Estonia

Registration of employment

From 1st of July 2014 the amendments of the Taxation Act entered into force which established a new employment register with the Estonian Tax and Customs Board. The new register will contain data on all persons whose working will create a tax liability in Estonia. In addition, working on a voluntary basis without receiving any remuneration for work, is considered to be an employment which needs to be registered. In case a new person will be hired in Estonia, then the registration must be completed by the employer by the time the employee (or volunteer) actually commences work. Also, tax authorities need to be informed in case suspension and termination of employment. The suspension or termination of the employment must be recorded during ten calendar days as of the day of suspension or termination of the employment.

Both natural and legal persons that are providing work are required to register the persons employed by them in the register. According to the law, an employer is a resident or non-resident legal person, Estonian state authority or a local government authority, a natural person or a self-employed person who concludes an agreement which forms the basis for working or who appoints a person performing the work to office.

In addition to the information about employee's (or volunteer's) name and personal identification code (date of birth if the personal identification code is not available and the duration of the employment will be up to five days), date of commencement of the employment and type of the employment (whether under employment agreement or under personal services agreement or Management Board Member) need to be added to the register. For non-EU citizens also his/her official title/position and the address of the place of employment must be marked in the register. In case of suspension of the employment, the initial and final dates of and the reason of the suspension and in case of the termination of the employment, the date of termination and also its legal basis must be added to the register.

There are several possibilities for registering the employment, for example data can be manually entered or file can be uploaded in the in the E-Tax Board/e-Customs environment. It is also possible to use a simplified procedure for first registration (covering only part of the required data) by making a phone call or sending the SMS message to the tax authority. Under the simplified procedure the initial notification can be done even some minutes before the person starts work. Later (during 7 calendar days) full information must be submitted to the authorities.

Among others, the data in the employment register is used also by the Estonian Health Insurance Fund for granting the health insurance benefits. This means that the employers are no longer required to submit the data on the employed persons to the Estonian Health Insurance Fund.

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