

Issuer:	Riigikogu
Type:	act
In force from:	02.07.2016
In force until:	31.12.2016
Translation published:	28.06.2016

## State Pension Insurance Act<sup>1</sup>

Passed 05.12.2001  
 RT I 2001, 100, 648  
 Entry into force 01.01.2002

Amended by the following acts

Passed	Published	Entry into force
05.06.2002	RT I 2002, 53, 336	01.07.2002
09.06.2002	RT I 2002, 53, 338	01.07.2002
19.06.2002	RT I 2002, 61, 375	01.08.2002
29.01.2003	RT I 2003, 20, 116	10.03.2003
12.06.2003	RT I 2003, 48, 343	01.07.2003
10.12.2003	RT I 2003, 82, 549	01.01.2004
17.12.2003	RT I 2003, 88, 589	01.01.2004
18.03.2004	RT I 2004, 16, 120	01.04.2004
08.12.2004	RT I 2004, 89, 604	01.04.2005
15.12.2004	RT I 2004, 89, 608	07.01.2005
15.06.2005	RT I 2005, 37, 283	01.07.2005
15.06.2005	RT I 2005, 39, 308	01.01.2006
17.05.2006	RT I 2006, 26, 191	01.08.2006
10.05.2006	RT I 2006, 26, 193	01.01.2007
18.10.2006	RT I 2006, 49, 370	20.11.2006, partially01.01.2007
15.02.2007	RT I 2007, 24, 127	01.01.2008
30.05.2007	RT I 2007, 40, 286	23.06.2007
24.10.2007	RT I 2007, 59, 381	26.11.2007
14.11.2007	RT I 2007, 62, 395	01.01.2008
19.12.2007	RT I 2007, 71, 437	01.10.2008
30.09.2008	RT III 2008, 38, 251	30.09.2008
22.10.2008	RT I 2008, 48, 264	23.11.2008
22.10.2008	RT I 2008, 48, 264	01.01.2009
20.02.2009	RT I 2009, 15, 93	01.03.2009
18.02.2009	RT I 2009, 15, 94	10.03.2009, applied to persons in respect to whom a judgment of conviction enters into force after entry into force of the Act.
29.10.2009	RT I 2009, 53, 360	01.01.2010, partially21.11.2009
07.04.2010	RT I 2010, 18, 97	16.05.2010, partially01.01.2017
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 13.07.2010 (OJ L 196, 28.07.2010, pp. 24-26).

17.06.2010	RT I 2010, 38, 231	01.07.2010
09.06.2010	RT I 2010, 41, 240	01.09.2010
27.01.2011	RT I, 23.02.2011, 3	01.01.2012
16.02.2011	RT I, 14.03.2011, 1	01.01.2012
08.03.2012	RT I, 27.03.2012, 6	01.06.2012
06.06.2012	RT I, 02.07.2012, 2	01.01.2013, partially 01.01.2015; date of entry into force partially changed to 01.01.2018 [RT I, 11.07.2014, 2]
14.06.2012	RT I, 02.07.2012, 8	01.08.2012
14.11.2012	RT I, 06.12.2012, 1	01.01.2013, partially 01.05.2013; the words "Pension Board" and "local pension department" have been replaced with the words "Social Insurance Board" in the text
12.06.2013	RT I, 02.07.2013, 1	01.09.2013, partially 01.01.2014
18.12.2013	RT I, 10.01.2014, 2	20.01.2014, partially 01.01.2015
26.03.2014	RT I, 16.04.2014, 3	01.07.2014
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the titles of ministers replaced on the basis of subsection 107 <sup>3</sup> (4) of the Government of the Republic Act.
30.06.2014	RT I, 11.07.2014, 2	21.07.2014
19.11.2014	RT I, 13.12.2014, 1	01.01.2016, partially 01.07.2016 and 01.01.2017; date of entry into force partially changed [RT I, 17.12.2015, 1]
18.02.2015	RT I, 10.03.2015, 5	01.04.2015, partially 01.07.2016
25.11.2015	RT I, 17.12.2015, 1	20.12.2015, partially 01.01.2016 and 01.07.2016
09.12.2015	RT I, 30.12.2015, 5	01.01.2016
01.06.2016	RT I, 22.06.2016, 1	01.01.2018, partially 02.07.2016

## **Chapter 1**

### **GENERAL PROVISIONS**

#### **§ 1. Scope of application of Act**

(1) This Act provides the definition, types and extent of state pensions, and the conditions and procedure for the grant of state pensions, the organisation of state pension insurance, the bases for maintenance of the state pension insurance register and calculation of funds for state pension insurance.

(2) The Administrative Procedure Act applies to the administrative proceedings regulated by this Act, unless otherwise provided for in this Act.  
[RT I 2002, 61, 375 - entry into force 01.08.2002]

#### **§ 2. Definition of state pension**

A state pension payable on the basis of this Act is a monthly financial social insurance benefit in the case of old age, incapacity for work or loss of a provider which is based on the principle of solidarity and which is paid from the funds allocated for the expenditure prescribed for state pension insurance in the state budget.

#### **§ 3. Insured persons**

Insured persons are:

- 1) persons who pursuant to the Social Tax Act pay the pension insurance part of social tax or for whom the pension insurance part of social tax must be paid;
- 2) persons for whom the right to receive a state pension arises on other bases pursuant to this Act.

#### **§ 4. Right to receive state pension**

(1) Under the conditions provided for in this Act, state pensions shall be granted and paid to:

- 1) permanent residents of Estonia;
- 2) aliens residing in Estonia on the basis of temporary residence permits or temporary right of residence.

(1<sup>1</sup>) A person specified in subsection (1) of this section whose residence is in several states has the right to receive state pension if he or she is a resident within the meaning of subsection 6 (1) of the Income Tax Act or if he or she resides permanently in Estonia within the meaning of § 6 of the Aliens Act.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2) A state pension shall be granted pursuant to this Act unless a person receives a state pension pursuant to other Estonian Acts.

(3) If an international agreement entered into by the Republic of Estonia contains provisions which differ from the provisions of this Act for the grant or payment of pensions, the international agreement applies.

## § 5. Types of state pension

This Act provides for the following state pensions:

- 1) old-age pension;
- 2) pension for incapacity for work;
- 3) survivor's pension;
- 4) national pension.

## § 6. Right to choose type of pension

Persons who have the right to receive several state pensions shall be granted one state pension of their choice, except in the case provided for in subsection 41 (4) of this Act.

# Chapter 2 OLD-AGE PENSION

## § 7. Right to receive old-age pension

(1) The following persons have the right to receive an old-age pension:

- 1) persons who have attained 63 years of age and
- 2) persons whose pension qualifying period provided for in § 27 of this Act and earned in Estonia is 15 years.

(2) In order to gradually make the pensionable age of men and women equal, the right of women born between the years 1944 and 1952 to receive an old-age pension arises, before attaining the age provided for in clause (1) 1) of this section, at the ages provided as follows:

Year of birth	Age	
1944	58 years 6 months	
1945	59 years	
1946	59 years 6 months	
1947	60 years	
1948	60 years 6 months	
1949	61 years	
1950	61 years 6 months	
1951	62 years	
1952	62 years 6 months	

(2<sup>1</sup>) The age specified in clause (1) 1) of this section and subsection (2) of this section is deemed to be the pensionable age unless otherwise provided by another Act.  
[RT I 2006, 49, 370 - entry into force 20.11.2006]

(3) Old-age pensions are granted for life.

## § 8. Deferred old-age pension

(1) A deferred old-age pension is an old-age pension which is granted at a later age than the pensionable age provided for in § 7 of this Act (hereinafter *pensionable age*).  
[RT I 2010, 18, 97 - entry into force 16.05.2010]

(2) A person has the right to receive a deferred old-age pension at any time after his or her right to receive an old-age pension arises.

(3) A deferred old-age pension shall be calculated pursuant to the procedure for calculation of old-age pensions provided for in § 11 of this Act, by increasing the pension by 0.9 per cent for every month which has passed after the person has attained the pensionable age.

(4) Deferred old-age pensions are granted for life.

(5) A deferred old-age pension shall not be granted to a person to whom a state pension has been granted (except a survivor's pension or a national pension upon loss of a provider) pursuant to this Act or any other Act.

### **§ 9. Early retirement pension**

(1) A person who has earned the pension qualifying period provided for in clause 7 (1) 2) of this Act required for grant of an old-age pension has the right to receive an early retirement pension up to three years before attaining the pensionable age.

(2) An early retirement pension shall be calculated pursuant to the procedure for calculation of old-age pensions provided for in § 11 of this Act, by reducing the pension by 0.4 per cent for every month and a period shorter than a month which remains until the person attains the pensionable age.

(3) A pension shall be reduced by 0.4 per cent also if less than one calendar month remains until the person attains the pensionable age.

(4) If calculation of the amount of an early retirement pension is based on the national pension rate pursuant to subsection 11 (6) of this Act, the reduction provided for in subsections (2) and (3) of this section applies to the national pension rate.

(5) Early retirement pensions are granted for life.

(6) Upon acquisition of an additional pension qualifying period, the amount of an early retirement pension shall be re-calculated pursuant to the procedure provided for in § 25 of this Act.

(7) Early retirement pensions shall not be recalculated as old-age pensions (§ 7) or as old-age pensions under favourable conditions.

### **§ 10. Old-age pension under favourable conditions**

(1) The following persons who have earned the pension qualifying period required for the grant of an old-age pension have the right to receive an old-age pension under favourable conditions:

1) a mother, father, parent's spouse, guardian or caregiver who for at least eight years has raised a child under 18 years of age with a moderate, severe or profound disability or five or more children – five years before attaining the pensionable age;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

2) a mother, father, parent's spouse, guardian or caregiver who has raised four children for at least eight years – three years before attaining the pensionable age;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

3) a mother, father, parent's spouse, guardian or caregiver who has raised three children for at least eight years – one year before attaining the pensionable age;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

4) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

5) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

6) persons suffering from pituitary dwarfism – at the age of 45.

(2) If several persons specified in clauses (1) 1)–3) of this section have the right to apply for an old-age pension under favourable conditions with respect to the same children, the persons shall agree on who exercises the right to receive the old-age pension under favourable conditions. Such agreement shall be expressed by a written consent to waive the exercise of the right to receive the old-age pension under favourable conditions in favour of other pension claimant.

(3) If one of the persons specified in clauses (1) 1)–3) of this section refuses to grant his or her written consent to another person for claiming for an old-age pension under favourable conditions, the pension claimant has the right of recourse to the court for the resolution of the dispute.

(4) Old-age pensions under favourable conditions are granted for life.

### **§ 11. Amount of old-age pension**

(1) An old-age pension consists of three components:

1) the base amount;

2) a part calculated on the basis of years of pensionable service, the amount of which equals the number of years of pensionable service (§ 28) multiplied by the value of a year of pensionable service;

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

3) an insurance part, the amount of which equals the sum of the insurance components of an insured person (§ 12) multiplied by the value of a year of pensionable service.  
[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(2) The value of a year of pensionable service is the monetary value of one year of pensionable service and an insurance component of 1.000.  
[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(3) If a pension claimant has not earned an accumulation period (§ 30), a pension shall be granted on the basis of the parts specified in clauses (1) 1) and 2).

(4) If a pension claimant has not completed years of pensionable service, a pension shall be granted on the basis of the parts specified in clauses (1) 1) and 3) of this section.

(5) The instructions for the calculation of insurance components and insurance parts shall be established by the minister responsible for the area.  
[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(6) If the amount of an old-age pension granted to a person is less than the national pension rate, the old-age pension shall be paid to the person at the national pension rate.

## **§ 12. Insurance component of insured person**

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(1) In order to calculate the insurance component of an insured person, the amounts of the state pension insurance part of individually registered social tax calculated for the insured person shall be totalled and divided by the average amount of the state pension insurance part of the individually registered social tax in the given calendar year.

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(2) Amounts which are transferred into the state pension insurance funds for an insured person pursuant to § 10 of the Social Tax Act and which are registered in the state pension insurance register shall be taken into account as the pension insurance part of individually registered social tax. The following shall also be taken into account:

1) the social tax calculated by the payer of social tax, in the cases provided for in clauses 2 (1) 1)–4), 6) and 9) and clause 6 (1) 2) of the Social Tax Act. The social tax calculated, except social tax on the unemployment insurance benefit, in the case provided for in clause 2 (1) 8) of the same Act;

2) the social tax calculated by the state, local government, other legal person in public law or an artistic association recognised on the basis of the Creative Persons and Artistic Associations Act in the cases provided for in subsections 6 (1)–(1<sup>2</sup>) of the Social Tax Act;

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

3) the social tax paid by a sole proprietor, in the cases provided for in clause 2 (1) 5) and § 6<sup>1</sup> of the Social Tax Act.

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

(2<sup>1</sup>) In addition to the provisions of subsection (2) of this section, amounts which are transferred into the state pension insurance funds for an insured person pursuant to Regulation (EEC, Euratom, ECSC) No 259/68 of the Council laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities and instituting special measures temporarily applicable to officials of the Commission (Staff Regulations of Officials) (OJ L 56, 4.03.1968, p. 1–7) (hereinafter *Council Regulation*) shall be taken into account as the pension insurance part upon calculation of the insurance component of insured persons. The procedure regulating the receipt and keeping records of such amounts shall be established by a Regulation of the Government of the Republic.

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(3) The rate of the pension insurance part of social tax provided for in this Act is 20 per cent.

(4) The amounts of the pension insurance part and the state pension insurance part of social tax shall be rounded to the accuracy of one cent.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

## **§ 13. Average amount of pension insurance part of individually registered social tax**

(1) In order to calculate the average amount of the pension insurance part of individually registered social tax, the data on the pension insurance part of individually registered social tax entered in the state pension insurance register in the given calendar year shall be taken as the basis for the calculation.

(2) The Government of the Republic shall establish the procedure for calculation of the average amount of the pension insurance part of individually registered social tax.

(3) The Government of the Republic shall approve the average amount of the pension insurance part of individually registered social tax of the previous calendar year not later than on 20 March of the current year and such average amount shall be implemented in the grant and recalculation of pensions for a term commencing as of 1 April.

(4) If a pension is granted with a commencement date before 1 April, the estimated average amount of the pension insurance part of individually registered social tax approved by the Government of the Republic for entry in the state pension insurance register shall be taken as the basis for calculation of the pension.

(5) The Government of the Republic shall approve the estimated average amount of the pension insurance part of individually registered social tax to be entered in the state pension insurance register for the next calendar year at least ten calendar days before the beginning of the calendar year.

## **Chapter 3**

### **PENSION FOR INCAPACITY FOR WORK**

#### **§ 14. Right to receive pension for incapacity for work**

(1) The following persons have the right to receive a pension for incapacity for work:

- 1) persons between the age of 16 and the pensionable age and
- 2) persons who are declared permanently incapacitated for work with a 40 to 100 per cent loss of capacity for work pursuant to the procedure established by the minister responsible for the area and  
[RT I 2007, 71, 437 - entry into force 01.10.2008]
- 3) persons who have earned the pension qualifying period required for grant of a pension for incapacity for work provided for in § 15 of this Act.

(2) A pension for incapacity for work shall be granted for the period of permanent incapacity for work.

#### **§ 15. Pension qualifying period required for grant of pension for incapacity for work**

(1) In order for a pension for incapacity for work to be granted, a person shall have earned a following pension qualifying period in Estonia by the commencement date of establishment of permanent incapacity for work with a 40 to 100 per cent loss of capacity for work:

[RT I 2008, 48, 264 - entry into force 01.01.2009]

Age	Required pension qualifying period	
16-24	No requirement for length of service	
25-26	1	
27-28	2	
29-30	3	
31-32	4	
33-35	5	
36-38	6	
39-41	7	
42-44	8	
45-47	9	
48-50	10	
51-53	11	
54-56	12	
57-59	13	
60-62	14	

[RT I 2008, 48, 264 - entry into force 01.01.2009]

(2) There is no requirement for length of service for a pension for incapacity for work to be granted, if the reason for the permanent incapacity for work is a work injury or occupational disease identified pursuant to Estonian legislation.

(2<sup>1</sup>) There is no requirement for pension qualifying period for a pension for incapacity for work to be granted if a person is retroactively declared a disabled child before attaining 16 years of age and the reason for permanent incapacity for work is the same illness or injury that caused the established disability and if the person has not previously applied for a pension for incapacity for work with good reason arising from his or her illness or injury.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

(3) If a pension for incapacity for work has been repeatedly granted to a person, except to a person specified in subsections (2) and (2<sup>1</sup>) of this section, to whom a pension for incapacity for work has been paid before and whose right to receive the pension has extinguished, the requirement for a pension qualifying period applied upon the previous grant of a pension for incapacity for work shall be increased by one year for each three years which have passed from the payment of the previous pension for incapacity for work, but not more than up to the requirement for a pension qualifying period provided for in subsection (1) of this section.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

#### **§ 16. Permanent incapacity for work**

(1) There are two degrees of permanent incapacity for work:

- 1) total incapacity for work;
- 2) partial incapacity for work.

(2) A person with a serious functional impairment caused by an illness or injury due to which he or she is not able to work in order to support himself or herself, is totally incapacitated for work.

(3) A person who is able to work in order to support himself or herself but who due to a functional impairment caused by an illness or injury is not able to perform work suitable for him or her in the amount corresponding to the general national standard for working time is partially incapacitated for work.

(4) The extent of permanent incapacity for work is expressed as a percentage of loss of capacity for work, by a number ending with zero.

(5) A 100 per cent loss of capacity for work corresponds to total incapacity for work.

(6) A 10–90 per cent loss of capacity for work corresponds to partial incapacity for work.

(7) A person may be declared permanently incapacitated for work for a period of six months, one year, two years, three years, five years or until attaining a pensionable age provided for in § 7 of this Act but not for longer than five years.

[RT I 2010, 18, 97 - entry into force 16.05.2010]

(8) The time at which a person's permanent incapacity for work arises may be established retroactively but not later than three years after the date of application for an examination for establishing permanent incapacity for work.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(9) Permanent incapacity for work, the time at which permanent incapacity for work arises and the reason for and duration of permanent incapacity for work shall be established by the Social Insurance Board by way of an examination for establishing permanent incapacity for work.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(9<sup>1</sup>) The terms and procedure for establishment of permanent incapacity for work, the time at which permanent incapacity for work arises and the reason for and duration of permanent incapacity for work, including a list of reasons for permanent incapacity for work, shall be established by a regulation of the minister responsible for the area.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

(10) The Social Insurance Board shall involve medical experts in the conduct of examinations for establishing permanent incapacity for work.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(10<sup>1</sup>) A civil law contract shall be concluded with a medical expert for the conduct of examinations, the expert shall be remunerated for the examination and documented travel and accommodation expenses incurred by the expert as a result of performing his or her obligations outside his or her residence shall be reimbursed to the expert according to the contract. The qualification of the medical expert, the complexity of the work and time needed for performance of the work shall be taken into consideration upon determining the size of remuneration.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(10<sup>2</sup>) A medical expert has the right to examine the materials which are necessary for the performance of his or her duties and to make proposals for amendment of the materials. A medical expert shall not disclose information which becomes known to him or her upon performance of his or her duties.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(10<sup>3</sup>) An official of the Social Insurance Board and a medical expert of the Social Insurance Board who conduct an examination have, with the consent of the person, access to the following personal data in the Health Information System necessary for the establishment of permanent incapacity for work and extension of certificate of temporary incapacity for work:

- 1) information concerning the submitter of information;
  - 2) information concerning out-patient visits and hospitalisations;
  - 3) information concerning medicinal products.
- [RT I, 27.03.2012, 6 - entry into force 01.06.2012]

(10<sup>4</sup>) If there is no information specified in subsection (10<sup>3</sup>) of this section in the Health Information System or the information is insufficient for the establishment of permanent incapacity for work and extension of certificate of temporary incapacity for work, the family physician or medical specialist of the person shall forward the missing information to the Health Information System and notify the Social Insurance Board thereof or fill in the format of the description of state of health established on the basis on subsection (11) of this section concerning the person and submit it to the Social Insurance Board within fifteen days as of the receipt of the relevant application from the Social Insurance Board.

[RT I, 27.03.2012, 6 - entry into force 01.06.2012]

(10<sup>5</sup>) The list of information in the Health Information System necessary for the establishment of permanent incapacity for work and extension of certificate of temporary incapacity for work and the periods for inquiries shall be established by a regulation of the minister responsible for the area.

[RT I, 27.03.2012, 6 - entry into force 01.06.2012]

(11) The procedure for determination of the percentage of loss of capacity for work and the list and format of documents needed for an examination for establishment of permanent incapacity for work shall be established by the minister responsible for the area.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

#### **§ 16<sup>1</sup>. Term for conduct of examination**

The Social Insurance Board shall conduct an examination within fifteen working days after receipt of sufficient information to carry out the examination.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

#### **§ 17. Results of examination for establishment of permanent incapacity for work**

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(1) The Social Insurance Board shall prepare a written decision on the results of an examination for establishment of permanent incapacity for work.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(2) [Repealed - RT I 2007, 71, 437 - entry into force 01.10.2008]

(3) Upon establishment of permanent incapacity for work, the decision on the results of a medical examination shall set out:

- 1) the time of submission of an application for permanent incapacity for work;
- 2) the time at which permanent incapacity for work arises;
- 3) the reason for permanent incapacity for work;
- 4) the duration of permanent incapacity for work;
- 5) the extent of permanent incapacity for work expressed as a percentage of loss of capacity for work;
- 6) the date of a re-examination, if the duration of permanent incapacity for work is established for a shorter term than until attaining a pensionable age;
- 7) the procedure for contesting the decision.

(4) If it is established that a person has more than one reason for permanent incapacity for work, the decision shall set out all the reasons, the extent of permanent incapacity for work arising from each reason separately and expressed as a percentage and the total extent of permanent incapacity for work expressed as a percentage.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

(5) If a person's permanent incapacity for work is not established, a corresponding written explanation shall be provided.

[RT I 2007, 71, 437 - entry into force 01.10.2008]

#### **§ 18. Calculation of pension for incapacity for work**

(1) The greatest of the following old-age pensions shall be the basis for calculation of a pension for incapacity for work:

- 1) the old-age pension of a person who is permanently incapacitated for work calculated on the basis of years of pensionable service and the sum of the insurance components pursuant to the procedure provided for in § 11 of this Act;



[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

2) the old-age pension if the person has completed thirty years of pensionable service.

(2) A pension for incapacity for work is a percentage corresponding to the loss of capacity for work of the amount calculated pursuant to subsection (1) of this section.

(3) If a pension calculated pursuant to subsection (2) of this section is less than the national pension rate, the pension for incapacity for work shall be paid at the national pension rate.

#### **§ 19. Transfer from pension for incapacity for work to old-age pension and early retirement pension**

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

(1) When a person to whom a pension for incapacity for work is paid until attainment of the pensionable age attains such age, an old-age pension shall be granted to him or her without a pension application.

(2) In the case specified in subsection (1) of this section, an old-age pension shall be calculated on the basis of the existing pension qualifying period at the time of grant of the old-age pension pursuant to the provisions of § 11 of this Act.

(2<sup>1</sup>) If an early retirement pension was paid to a person before the grant of a pension for incapacity for work, payment of the early retirement pension shall continue after attaining the pensionable age without a pension application. If payment of the pension for incapacity for work terminates before the person attains the pensionable age, payment of the early retirement pension shall continue without a pension application as of the day following the day of termination of the incapacity for work.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

(2<sup>2</sup>) In the case specified in subsection (2<sup>1</sup>) of this section, the same percentage reduction which was the basis for calculation of the early retirement pension for the first time shall apply upon calculation of the early retirement pension.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

(3) If an old-age pension calculated pursuant to subsection (2) of this section proves to be less than the pension previously paid, the old-age pension shall be paid in the previous amount, but in an amount not less than the portion of the pension for incapacity for work corresponding to the percentage of the loss of the person's capacity for work if the pension is calculated on the basis of clause 18 (1) 2) of this Act.

(4) If a person to whose pension for incapacity for work a pension supplement provided for in § 24 of this Act and subsections 14 (1) and (4) of the Persons Repressed by Occupying Powers Act is transferred to an old-age pension or if payment of the early retirement pension to such person is continued, he or she retains the right to receive the previous pension supplement.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

## **Chapter 4 SURVIVOR'S PENSION**

#### **§ 20. Right to receive survivor's pension**

(1) Upon the death of a provider, family members who were maintained by him or her have the right to receive a survivor's pension. The right of the provider's children, parents and the widow or widower to receive a survivor's pension does not depend on whether they were maintained by the provider or not.

(2) Family members who have the right to receive a survivor's pension are:

1) a provider's child, brother, sister or grandchild who is under 18 years of age (or who is under 24 years of age and is a student enrolled in daytime study or, for medical reasons, in another form of study at an upper secondary school or vocational educational institution or a student enrolled in full-time study at a university or institution of applied higher education), or who is older if he or she was established to have partial or no work ability pursuant to the Work Ability Allowance Act before he or she attained 18 years of age (or in the case of a student enrolled in daytime study or, for medical reasons, in another form of study, or in full-time study, before he or she attained 24 years of age). A brother, sister or grandchild has the right to receive a pension if he or she does not have parents with capacity for work;

[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

2) a provider's parent who is of pensionable age or who has been established to have partial or no work ability pursuant to the Work Ability Allowance Act;

[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

3) a provider's non-working widow who is pregnant (from the twelfth week of pregnancy);

4) a provider's widow or widower who has been established to have partial or no work ability pursuant to the Work Ability Allowance Act or who is of pensionable age and whose marriage to the provider had a duration of at least one year;

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

5) a provider's divorced spouse who attained pensionable age or was established to have partial or no work ability pursuant to the Work Ability Allowance Act before the divorce or within three years after the divorce and whose marriage to the provider had a duration of at least twenty-five years;

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

6) a parent or guardian of a provider's child who is not employed and is raising the provider's child who is under 3 years of age in his or her family.

(3) Under the conditions provided for in this section, the following also have the right to receive a survivor's pension:

1) a child whose parent's spouse or foster parent is dead and who is not maintained by his or her parent;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

2) a person who has raised and maintained a child as a parent's spouse or as a foster parent for at least eight years.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(4) Persons specified in subsection (2) or (3) of this section shall be granted a survivor's pension if the provider has by the date of his or her death earned the pension qualifying period which would have been necessary for the grant of a pension for incapacity for work (§ 15) or an old-age pension (§ 7).

(5) Under the conditions provided for in this section, a survivor's pension shall also be granted if the provider is missing and the police authorities have initiated proceedings for establishing the whereabouts of a missing person concerning him or her and the police authorities have failed to establish the whereabouts of the person within 12 months.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

(6) A survivor's pension shall be granted for the period during which persons specified in subsection (2) or (3) of this section meet the requirements for receiving a pension.

(6<sup>1</sup>) The studies of the persons specified in clause (2) 1) of this section are certified by data obtained from the Estonian Education Information System established on the basis of subsection 36<sup>6</sup>(4) of the Republic of Estonia Education Act, or by a document certifying the studies presented by the person. In the event of discrepancies in the data, the data of the Estonian Education Information System shall take precedence.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

(6<sup>2</sup>) A survivor's pension shall be paid pursuant to subsection (5) of this section until the whereabouts of the provider are established or the provider is declared dead but not longer than for a period of five years.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

(7) [Repealed - RT I, 13.12.2014, 1 - entry into force 01.07.2016 (entry into force changed - RT I, 17.12.2015, 1)]

## **§ 21. Calculation of survivor's pension**

(1) The greatest of the following old-age pensions shall be the basis for calculation of a survivor's pension:

1) the old-age pension calculated on the basis of years of pensionable service earned by the provider until the date of his or her death and the sum of the insurance components pursuant to the provisions of § 11 of this Act;

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

2) the old-age pension if the person has completed thirty years of pensionable service.

(2) A survivor's pension shall be calculated based on the pension calculated pursuant to subsection (1) of this section at the following rates:

1) to one family member, 50 per cent;

2) to two family members, 80 per cent;

3) to three or more family members, 100 per cent.

[RT I 2004, 16, 120 - entry into force 01.04.2004]

# **Chapter 5 NATIONAL PENSION**

## **§ 22. Right to receive national pension**

(1) The following have the right to receive a national pension:

1) persons who have attained 63 years of age and who do not have the right to receive old-age pension and who have been permanent residents of Estonia or have resided in Estonia on the basis of a temporary residence permit or temporary right of residence for at least five years immediately before making a pension claim;

2) persons who are declared permanently incapacitated for work, the percentage of whose loss of capacity for work is at least 40 per cent, who have not earned a pension qualifying period required for the grant of a pension for incapacity for work and who have been permanent residents of Estonia or have resided in Estonia on the basis of a temporary residence permit or temporary right of residence for at least one year immediately before making a pension claim;

3) persons specified in § 20 of this Act who, in connection with the insufficient pension qualifying period of their provider, do not have the right to receive a survivor's pension, if the provider was a permanent resident of Estonia or had resided in Estonia on the basis of a temporary residence permit or temporary right of residence for at least one year directly before his or her death;

[RT I 2008, 48, 264 - entry into force 23.11.2008]

4) persons who have attained a pensionable age who are paid the national pension on the basis of permanent incapacity for work until the persons attain a pensionable age, or a pension retained in the former amount for a specified term pursuant to subsection 60 (1) of this Act.

(2) A national pension shall be granted for the following terms:

- 1) to persons specified in clauses (1) 1) and 4) of this section, for life;
- 2) to persons specified in clause (1) 2) of this section, for the period of their permanent incapacity for work;
- 3) to persons specified in clause (1) 3) of this section, for the period during which they meet the requirements provided for in § 20 of this Act.

(3) A national pension shall not be granted and payment of a granted national pension shall be terminated if a person receives a pension from another state.

[RT I 2006, 26, 191 - entry into force 01.08.2006]

### **§ 23. Amount of national pension**

A national pension shall be calculated at the following rates:

- 1) to persons specified in clauses 22 (1) 1) and 4) of this Act, 100 per cent of the national pension rate;
- 2) to persons specified in clause 22 (1) 2) of this Act, a percentage of the rate of national pension corresponding to the loss of the person's capacity for work;
- 3) in the case specified in clause 22 (1) 3) of this Act, 100 per cent of the national pension rate in the case of three or more family members, 80 per cent of the national pension rate in the case of two family members and 50 per cent of the national pension rate in the case of one family member.

[RT I 2004, 16, 120 - entry into force 01.04.2004]

### **§ 23<sup>1</sup>. Transfer from national pension to pension for incapacity for work**

(1) Pension for incapacity for work shall be granted on the basis of an application to a person to whom national pension is paid on the basis of clause 22 (1) 2) of this Act and who completes the pension qualifying period which corresponds to the age provided for in subsection 15 (1) of this Act.

(2) Upon transfer from national pension to pension for incapacity for work, the requirement for a pension qualifying period which corresponds to the age of the person at the time of transfer shall be applied.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

## **Chapter 6 PENSION SUPPLEMENTS**

### **§ 24. Right to receive pension supplements**

(1) The following pension supplements shall be added to pensions granted pursuant to this Act:

- 1) 100 per cent of the national pension rate to participants and widows and widowers of participants in the Estonian War of Independence;
- 2) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]
- 3) 10 per cent of the national pension rate to participants in the Second World War and members of the Self-Defence Force.

(1<sup>1</sup>) The following pension supplement shall be added to old-age pensions granted pursuant to this Act, pensions for incapacity for work calculated on the basis of clause 18 (1) 1) of this Act and survivor's pensions calculated on the basis of clause 21 (1) 1) of this Act:

- 1) to one parent, parent's spouse, guardian or caregiver in a family for every child who is born between 31 December 1980 and 31 December 2012 and whom he or she has raised for at least eight years, in the amount of two times the value of a year of pensionable service;

1<sup>1</sup>) to one parent, parent's spouse, guardian or caregiver in a family for every child who is born before 1 January 2013 and whom he or she has raised for at least eight years, in the amount of one time the value of a year of pensionable service;

[RT I 02.07.2012, 2 - entry into force 01.01.2018 (entry into force changed RT I, 11.07.2014, 2)]

2) to one parent, parent's spouse, guardian or caregiver in a family, who is born before 1 January 1983 and who is not an obligated person within the meaning of the Funded Pensions Act, for every child who is born on 1 January 2013 or later and whom he or she has raised for at least eight years, in the amount of three times the value of a year of pensionable service;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(2) [Repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

(3) If a person has the right to receive several of the pension supplements listed in subsection (1) of this section, one pension supplement of his or her choice shall be granted to such person.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(4) If a person has the right to receive several of the pension supplements listed in this section, the person shall be paid all pension supplements at the same time, except in the case provided for in subsection (3) of this section.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(5) The pension supplement specified in clause (1<sup>1</sup>) 1) of this section shall not be paid if the years of pensionable service have been calculated on the basis of clause 28 (2) 12) for the same child.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(6) The pension supplement specified in clause (1<sup>1</sup>) 2) of this section shall not be paid if additional contributions provided for in § 10 of the Funded Pensions Act have been made for thirty-six months for the same child. If additional contributions have been made for less than thirty-six months, the pension supplement specified in clause (1<sup>1</sup>) 2) of this section shall be paid in proportion to the number of months for which additional contributions have not been made.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(7) If several persons specified in subsection (1<sup>1</sup>) of this section have the right to apply for a pension supplement with respect to the same child, the persons shall agree on who exercises the right to receive the pension supplement. Such agreement shall be expressed by a written consent to waive the exercise of the right to receive the pension supplement in favour of the other person.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(8) If one of the persons specified in subsection (1<sup>1</sup>) of this section refuses to grant his or her written consent to another person for applying for a pension supplement, the person applying for the pension supplement has the right of recourse to the court for the resolution of the dispute.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(9) Subsections (7) and (8) of this section also apply if several persons have the right to apply for the calculation of years of pensionable service on the basis of clause 28 (2) 12) of this Act or for a pension supplement on the basis of clause (1<sup>1</sup>) 1) of this section for the same child.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(10) The list of the documents necessary for applying for a pension supplement shall be established by a regulation of the minister responsible for the area.

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

## **Chapter 7**

# **RECALCULATION AND INDEXATION OF STATE PENSIONS**

### **§ 25. Recalculation of state pension**

(1) State pensions which have been granted shall be recalculated:

1) as of 1 April once a year on the basis of data which are entered in the register and which concern the individually registered social tax of the previous year;

2) if circumstances arise which require the reduction of the pension, except in the case provided for in clause 1) of this section, as of the first day of the month following the month in which such circumstances arise;

3) if circumstances arise which require the increase of the pension, except in the case provided for in clause 1) of this section, as of the date of submission of a corresponding application, if the application and documents are submitted within one month after the circumstances requiring the increase of the pension arise. If an application is submitted later, the pension shall be recalculated as of the first day of the month following the month in which the corresponding application is submitted.

(2) A pensioner is required to notify the Social Insurance Board of circumstances specified in clause (1) 2) of this section in writing within ten days after the circumstances arise.

## § 26. Indexation of state pensions

(1) By 1 April of each calendar year, state pensions calculated pursuant to this Act shall be indexed by an index the value of which depends to the extent of 20 per cent of the annual increase of the consumer price index and to the extent of 80 per cent of the annual increase in receipt of the pension insurance part of social tax. The indexing shall be carried out pursuant to the procedure provided by subsection (7) of this section.  
[RT I 2007, 62, 395 - entry into force 01.01.2008]

(1<sup>1</sup>) Upon calculation of the index, the annual increase of the consumer price index shall be multiplied by 0.2, the annual increase in receipt of the pension insurance part of social tax shall be multiplied by 0.8 and the results shall be added together.  
[RT I 2007, 62, 395 - entry into force 01.01.2008]

(2) The annual increase of the consumer price index shall be calculated by dividing the value of the consumer price index of the previous calendar year by the value of the consumer price index of the year before the previous calendar year, on the basis of the value of the consumer price index officially published by Statistics Estonia.

(3) The annual increase in receipt of the pension insurance part of social tax shall be calculated by dividing the total amount of the pension insurance part of social tax of the previous calendar year by the total amount of the pension insurance part of social tax of the year before the previous calendar year, on the basis of information of the Ministry of Finance concerning the receipt of the pension insurance part of social tax.

(4) The annual increase of the consumer price index and in the receipt of social tax shall be expressed to the accuracy of three decimal places.

(5) A state pension shall not be indexed if the value of the index is less than 1.000.  
[RT I 2009, 15, 93 - entry into force 01.03.2009]

(5<sup>1</sup>) The Government of the Republic may approve a lower value of the index than the one provided for in subsection (1) of this section if:

- 1) the estimated real growth of the gross domestic product of the same year is negative, or
- 2) the difference between the expenditure prescribed for state pension insurance specified in subsection 57 (1) of this Act and the estimated income from social tax transferred into the state pension insurance funds exceeds 1 per cent of the estimated gross domestic product of the same year.  
[RT I 2009, 15, 93 - entry into force 01.03.2009]

(5<sup>2</sup>) The Government of the Republic shall add or clear the part of index which was not increased or reduced together with the approval of the new value of the index within five years as of the application of subsection (5) or (5<sup>1</sup>) of this section.  
[RT I 2009, 15, 93 - entry into force 01.03.2009]

(6) The Government of the Republic shall approve the index with the value of at least 1.000 and the part of the index to be added or cleared on the basis of subsection (5<sup>2</sup>) of this section not later than by 20 March of the current year.  
[RT I 2009, 15, 93 - entry into force 01.03.2009]

(7) By 1 April of a calendar year, the Social Insurance Board shall calculate the national pension rate, new values of the base amount of pension and the value of a year of pensionable service by:  
1) multiplying the national pension rate by the index approved pursuant to subsection (6) of this section;  
2) multiplying the base amount of a pension by the index approved pursuant to subsection (6) of this section the incremental part of which has been multiplied by the coefficient 1.1;  
3) multiplying the value of a year of pensionable service by the index approved pursuant to subsection (6) of this section the incremental part of which has been multiplied by the coefficient 0.9.  
[RT I 2007, 62, 395 - entry into force 01.01.2008]

(8) The Government of the Republic shall prepare an analysis once in every five years concerning the effect of the bases for calculation of state pensions provided for in this Act on the financial and social sustainability of the pension insurance system and, if necessary, submit a proposal to the *Riigikogun* amendment of the conditions for application of the methods of calculation of the index of state pensions and application of the index provided for in subsections (1) and (7) of this section.  
[RT I 2007, 62, 395 - entry into force 01.01.2008]

## **Chapter 8**

# **PENSION QUALIFYING PERIOD**

### **§ 27. Pension qualifying period**

(1) A pension qualifying period is a period during which an insured person is engaged in an activity which grants the right to receive a state pension.

(2) A pension qualifying period shall be divided as follows:

- 1) the years of pensionable service which are calculated until 31 December 1998;
- 2) the accumulation period which is calculated as of 1 January 1999.

(3) The list of documents necessary to certify years of pensionable service, requirements for the documents and specifications concerning the calculation of years of pensionable service shall be established by a regulation of the minister responsible for the area.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(4) The Government of the Republic shall establish the procedure for calculation of a pension qualifying period.

### **§ 28. Time included in years of pensionable service**

(1) Time during which the employer of a person is required to pay social tax for the person shall be included in the years of pensionable service of the person.

(2) Years of pensionable service shall also include:

- 1) the time during which a person is a member of an artistic association or trade association as of the time the person begins engaging in creative activity. As of 1 January 1991, the time during which a person was or is engaged in creative activity shall be included in their length of service if social tax was or is paid;
- 2) the period of service of a person in the Defence Forces of Estonia or any period of service deemed to be equal thereto in accordance with the Defence Forces Service Act, and any period of service in the employment of the Ministry of Internal Affairs;
- 3) [repealed - RT I 2008, 48, 264 - entry into force 23.11.2008]
- 4) the time during which a person is enrolled in daytime study at a vocational educational institution, in daytime study at a university or institution of applied higher education, or in a form of study deemed to be equal thereto;

[RT I 2010, 41, 240 - entry into force 01.09.2010]

- 5) the period of assignment in a foreign mission for the spouse of a diplomat of the Republic of Estonia;
- 6) the term of office of the President of the Republic of Estonia for the non-working spouse of the President;
- 7) the time during which a person cares for a Category I disabled person, for a disabled child or for a person under 18 years of age who is disabled since childhood, and the time during which a mother, father, parent's spouse, guardian or actual caregiver of the child cares for a child under 3 years of age until the child attains 3 years of age;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

- 8) the time during which a person receives unemployment benefit from a state employment office or participates in labour market training organised by an employment office;
- 9) the time during which a person works in a church (congregation) or other registered religious organisation. As of 1 January 1991, such time shall be included in the length of service if social tax was or is paid for the period;

10) the time during which a person worked on a farm before its liquidation or before commencing work on a collective farm, state farm or elsewhere, if the person at that time was at least 14 years of age;

11) the time during which a person worked on a farm, if the farm was exempt from taxes in accordance with the Estonian SSR Farm Act;

12) two years for one parent or parent's spouse or guardian or caregiver in a family for every child whom he or she has raised for at least eight years;

[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

13) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

14) the time during which a person works as a sole proprietor if social tax was or is paid;

15) the time during which an employee or sole proprietor specified in clause 14) of this section is temporarily incapacitated for work;

16) the time during which a person punished by conditional imprisonment performs mandatory work, the time during which a person does community work in lieu of imprisonment or the time during which a person works in a medical-labour centre.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(3) The following shall be included in the years of pensionable service earned in Estonia under favourable conditions:

1) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

2) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

3) [repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

4) the duration of employment in a leper house or institution for plague control, multiplied by two;

5) in the case of a person who was subject to forced displacement from Sõrve peninsula in Saaremaa to Germany in October or November 1944, the time from displacement until settling in Estonia, but not longer than until 31 December 1946, multiplied by three.

(4) The time of activities provided for subsections (1)–(3) of this section which took place in the territory of the former Union of Soviet Socialist Republics up to 1 January 1991 shall be included in the years of pensionable service if the pension qualifying period of the person earned in Estonia is at least fifteen years and no other state is paying pension for such pension qualifying period.  
[RT I 2008, 48, 264 - entry into force 23.11.2008]

(5) The time during which a person is in compulsory military service or compulsory alternative service shall be included in the years of pensionable service if the person was referred to service from Estonia or the person lived in Estonia before and after being referred to service from outside of Estonia and the pension qualifying period of the person earned in Estonia is at least fifteen years and no other state is paying pension for such pension qualifying period.  
[RT I 2008, 48, 264 - entry into force 23.11.2008]

### **§ 28<sup>1</sup>. Certification of years of pensionable service**

(1) Years of pensionable service shall be certified on the basis of information in the population register with legal effect or documents certifying years of pensionable service. If there is information with legal effect certifying years of pensionable service in the population register, the information in the register shall be taken into account.

(2) If no information or documents concerning years of pensionable service have been preserved in the population register, the insured person has the right to submit a request to the Social Insurance Board to take into account the testimonies of witnesses.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

### **§ 29. Calculation of years of pensionable service**

(1) Years of pensionable service shall be calculated to the accuracy of a day.

(2) Upon calculation of the amount of a pension, years of pensionable service with the length of at least six months shall be rounded to a full year, and years of pensionable service with the length of less than six months shall not be taken into account.

(3) Compliance with the requirement for a pension qualifying period which grants the right to receive an old-age pension, pension for incapacity for work or survivor's pension shall be determined on the basis of unrounded years of pensionable service.

### **§ 30. Calculation of accumulation period**

(1) One year towards the accumulation period of an insured person shall be calculated for the insured person for whom the pension insurance part of individually registered social tax has been paid or calculated pursuant to the Social Tax Act in an amount equal to at least the minimum wage for a year.  
[RT I, 02.07.2012, 8 - entry into force 01.08.2012]

(2) Upon calculation of the accumulation period, the pension insurance part of individually registered social tax of an insured person for each calendar year shall be compared to the pension insurance part of social tax calculated on the minimum wage for January of the corresponding year multiplied by twelve.  
[RT I, 02.07.2012, 8 - entry into force 01.08.2012]

(3) If the pension insurance part of social tax is paid by the state, local government or other legal person in public law pursuant to § 6 of the Social Tax Act and by a sole proprietor pursuant to § 6<sup>1</sup> of the Social Tax Act, the accumulation period shall be calculated to be equivalent to payment of the pension insurance part of social tax on the minimum wage.  
[RT I, 02.07.2012, 8 - entry into force 01.08.2012]

(4) Amounts which have been received for each insured person from the pension scheme of the institutions of the European Communities based on the Council Regulation specified in subsection 12 (2<sup>1</sup>) of this Act shall be taken into account upon calculation of the accumulation period.  
[RT I 2007, 62, 395 - entry into force 01.01.2008]

## **Chapter 9**

# CLAIM FOR, GRANT AND PAYMENT OF STATE PENSION

## § 31. Claim for state pension

(1) Claimants for a state pension shall submit pension applications to the Social Insurance Board.

(1<sup>1</sup>) The residence entered in the population register is deemed to be the residence of a pension claimant.  
[RT I, 14.03.2011, 1 - entry into force 01.01.2012]

(2) The standard format for pension applications shall be established by the minister responsible for the area.

(3) The date on which the Social Insurance Board receives a pension application together with all necessary documents is deemed to be the date of making a pension claim. A certificate shall be issued to a pension claimant concerning receipt of the documents.

(4) If a pension application is sent by post and all necessary documents are appended, the date on the date stamp of the place in which the application is posted is deemed to be the date of making the pension claim.

(5) [Repealed - RT I 2002, 61, 375 - entry into force 01.08.2002]

(6) The Social Insurance Board shall assist a pension claimant when necessary in obtaining the necessary documents for making a pension claim.

(7) The Social Insurance Board shall forward the health data of a person residing in the Republic of Estonia to the other party if the person is applying for the establishment of permanent incapacity for work and the grant of pension for incapacity for work from the other party on the basis of a bilateral international agreement.  
[RT I, 17.12.2015, 1 - entry into force 01.07.2016]

(8) In order to forward the health data specified in subsection (7) of this section with the consent of the person, a person who has completed medical training shall have access to the following information in the health information system:

- 1) information concerning the submitter of information;
- 2) information concerning out-patient visits and hospitalisations;
- 3) information concerning medicinal products.

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

(9) The list of information concerning a person in the health information system specified in subsection (8) of this section and the periods for inquiries shall be established by a regulation of the minister responsible for the area.

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

## § 32. Grant of state pension

(1) The Social Insurance Board shall grant a state pension.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2) A state pension shall be granted as of the date of making a pension claim. A pension shall be granted as of an earlier date in the following cases:

1) an old-age pension shall be granted as of the date of attaining pensionable age (subsection 7 (1) or (2) or subsection 10 (1)), and a pension for incapacity for work or a national pension shall be granted to a person declared permanently incapacitated for work as of the date of determination of the permanent incapacity for work, if the pension application is submitted within three months after the date of attaining pensionable age or the date of the decision concerning permanent incapacity for work;

[RT I 2009, 53, 360 - entry into force 21.11.2009]

2) a survivor's pension or national pension shall be granted as of the date of death of the provider or the date of initiation by the police authorities of the procedure for establishing the whereabouts of the missing person, but not more than twelve months before making a pension claim.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

(3) If a person fails to apply for a re-examination for permanent incapacity for work during a specified term with good reason and he or she is retroactively declared permanently incapacitated for work on the basis of the re-examination, a pension for incapacity for work or a national pension on the basis of permanent incapacity for work is granted and paid as of the time at which his or her permanent incapacity for work arose but for not more than one year retroactively.

(4) Pension for incapacity for work shall be granted to a person to whom national pension is paid on the basis of clause 22 (1) 2) of this Act and who is retroactively declared a disabled child and to whom the requirement for pension qualifying period does not apply pursuant to subsection 15 (2<sup>1</sup>) of this Act as of the date of submission of an application but not before the date of making the decision to declare the person a disabled child.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]



### **§ 33. Pension committee**

[Repealed - RT I, 06.12.2012, 1 - entry into force 01.01.2013]

### **§ 34. Decision to grant pension**

Grant of or refusal to grant a pension shall be documented in a written decision which consists of:

1) an introduction which sets out the name of the official who makes the decision and the date on which the decision is made;

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

2) a descriptive part which contains a summary of the claim of a pension claimant;

3) the reasons of the decision which indicate the documents and evidence, and circumstances and reference to the provisions of legislation on which the decision is based;

4) the conclusion of the decision which includes an opinion on the satisfaction of or refusal to satisfy the pension application;

5) information on the procedure and term for appeal against the decision;

6) a notation concerning the manner of notification of the decision;

7) the signatures of the official or officials who make the decision.

### **§ 35. Pension certificate**

Pensioners shall be granted a pension certificate the format of which shall be established by the minister responsible for the area.

### **§ 36. Payment of state pension**

(1) A state pension shall be paid monthly for the current month as requested by the pensioner:

1) to the bank account of the pensioner in Estonia;

2) on the basis of a written application of the pensioner prepared at the Social Insurance Board or a notarised application, to the bank account of a third party, including a local government, in Estonia;

3) at the expense of the pensioner, as home delivery by post; or

4) into his or her bank account in a foreign state, whereas the recipient of the pension shall pay the fees charged by its payment service provider.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2) [Repealed - RT I 2008, 48, 264 - entry into force 23.11.2008]

(3) [Repealed - RT I 2008, 48, 264 - entry into force 23.11.2008]

(4) A state pension which is granted to a minor in a social welfare institution shall be transferred to the personal bank account of the child.

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

(5) On the basis of a reasoned application submitted to the Social Insurance Board, a state pension shall be paid as home delivery by post at the expense of the payer of the pension to a person whose mobility is restricted or who lives in a low density area and whose access to banking services is restricted and who is:

1) a person with a profound disability receiving pension for incapacity for work;

2) a person with a profound disability declared permanently incapacitated for work who receives a national pension; or

3) a person of pensionable age.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

(6) Based on the application specified in subsection (5) of this section, the Social Insurance Board shall make a decision with a period of validity of up to one year. The Social Insurance Board may make a decision on the basis of the application specified in subsection (5) of this section with a longer period of validity if this is necessary due to the nature of the reasons proceeding from which the Social Insurance Board makes the decision on the basis of the application specified in subsection (5) of this section. The Social Insurance Board shall make the decision on the basis of the application specified in subsection (5) of this section within ten working days after the submission of the corresponding application.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

### **§ 37. Total amount of state pension**

Payment of a state pension pursuant to this Act shall be based on the total amount of the state pension, which is comprised of the state pension granted to the person and the pension supplements.

### **§ 38. Rounding of pension amounts**

Upon payment of a state pension and calculation of the amount withheld from a pension, amounts shall be rounded to the accuracy of one cent.

[RT I 2010, 22, 108 - entry into force 01.01.2011]

### **§ 39. Instructions for grant, recalculation and payment of state pensions**

The minister responsible for the area shall establish the instructions for the grant, recalculation and payment of state pensions.

### **§ 40. Resolution of disputes**

(1) If a person disagrees with an administrative act of the Social Insurance Board, he or she has the right to file a challenge with the Social Insurance Board within thirty days after the date on which the person becomes or should become aware of the challenged administrative act or to directly file an appeal with an administrative court under the conditions and pursuant to the procedure provided by the Code of Administrative Court Procedure except in the case of an administrative act specified in subsection (2) of this section. In order to resolve challenges, the Social Insurance Board may form committees and to involve experts if necessary. A challenge shall be resolved within sixty days after registration of the challenge by the Social Insurance Board.

(2) If a person disagrees with the results of a medical examination for establishment of permanent incapacity for work, the Social Insurance Board shall conduct a further examination if necessary. A challenge shall be resolved within sixty days after registration of the challenge by the Social Insurance Board.

(3) If a person disagrees with a decision on the challenge, he or she has the right to file an appeal with an administrative court under the conditions and pursuant to the procedure provided by the Code of Administrative Court Procedure.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

## **Chapter 10 SPECIFICATIONS OF CALCULATION, GRANT AND PAYMENT OF STATE PENSIONS**

### **§ 41. Grant and payment of survivor's pension**

(1) A common pension shall be granted to family members specified in § 20 of this Act and persons deemed to be equal to them who have the right to receive a survivor's pension or national pension upon the loss of a provider.

(2) On the basis of an application of a family member, his or her share shall be separated from the survivor's pension or the national pension paid upon the loss of a provider, and paid to him or her separately.

(3) Upon the remarriage of a widow, widower or divorced person, a survivor's pension or national pension granted to him or her on the basis of the death of his or her spouse or in the case provided in subsection 20 (5) of this Act shall be retained for twelve months.

[RT I 2008, 48, 264 - entry into force 23.11.2008]

(4) Persons who are under 18 years of age, or orphans who are under 24 years of age, and who are enrolled in daytime study or, for medical reasons, in another form of study at an upper secondary school or vocational educational institution, or in full-time study at a university or institution of applied higher education, or orphans who are older if they were established to have partial or no work ability pursuant to the Work Ability Allowance Act before they attained 18 years of age (or if they are students enrolled in daytime study or, for medical reasons, in another form of study, or full-time study, before they attained 24 years of age) have the right, taking into account the provisions of subsection 21 (2) and clause 23 3) of this Act, to receive two survivor's pensions or two national pensions or both a survivor's pension and a national pension concurrently, depending on the pension qualifying period of their parents.

[RT I 13.12, 2014, 1 - entry into force 01.07.2016 (entry into force changed RT I, 17.12.2015, 1)]

### **§ 42. Specifications of calculation and payment of state pensions if pension rights arise pursuant to international agreement**

(1) The state pension of persons who have not completed the pension qualifying period earned in Estonia required for the grant of a state pension, but who have the right to a pension on the basis of an international agreement, shall be calculated pursuant to the procedure provided for in this section.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

(2) In case of old-age pension, the theoretical amount of old-age pension shall be calculated at first, in particular taking account of all pension qualifying periods earned in Estonia and in the Contracting Party as if they had been completed in Estonia. For calculating the actual amount of old-age pension, the theoretical amount of old-

age pension shall be multiplied by the number of years in the pension qualifying period earned in Estonia and shall be divided by the number of years of the total pension qualifying period earned in all Contracting Parties, including in Estonia.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

(3) The theoretical amount of old-age pension which is the basis for calculation of a pension for incapacity for work is calculated pursuant to the procedure provided for in subsection 18 (1) of this Act. For calculating the actual amount of old-age pension, the theoretical amount of old-age pension shall be multiplied by the number of years in the pension qualifying period earned in Estonia and shall be divided by the number of years of the total pension qualifying period earned in all Contracting Parties, including in Estonia. A pension for incapacity for work shall be calculated pursuant to subsection 18 (2) of this Act from the actual amount of old-age pension calculated on the basis of this subsection.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

(4) The theoretical amount of old-age pension which is the basis for calculation of a survivor's pension is calculated pursuant to the procedure provided for in subsection 21 (1) of this Act. For calculating the actual amount of old-age pension, the theoretical amount of old-age pension shall be multiplied by the number of years in the pension qualifying period earned in Estonia and shall be divided by the number of years of the total pension qualifying period earned in all Contracting Parties, including in Estonia. A survivor's pension shall be calculated pursuant to subsection 21 (2) of this Act from the actual amount of old-age pension calculated on the basis of this subsection.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

(5) If the total amount of old-age pensions or pensions for incapacity for work paid to persons residing in Estonia specified in subsection (1) of this section pursuant to international agreements by Contracting Parties together with the pensions paid by Estonia is less than the national pension rate, an amount which covers the difference between the national pension rate and pensions received pursuant to international agreements shall be paid to the person on the basis of his or her application.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(5<sup>1</sup>) A survivor's pension shall not be granted on the basis of this Act to a person who receives an old-age pension, pension for incapacity for work or national pension from a Contracting Party. Payment of a granted survivor's pension shall be terminated if the Contracting Party grants an old-age pension, pension for incapacity for work or national pension to the person.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(6) On the basis of an application of a person, pension may be paid once per quarter or once every half year.

[RT I 2006, 49, 370 - entry into force 20.11.2006]

(7) A non-resident in Estonia shall submit a certificate concerning his or her residence certified by the authority of the state of residence to the Social Insurance Board not later than by 1 March of each year. Upon failure to submit a certificate within the prescribed term, payment of pension shall be suspended as of 1 April of the current year. If a certificate is submitted later, payment of pension shall continue retroactively as of suspension of the payment of pension.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

(8) The Social Insurance Board shall not apply the provisions of subsection (7) of this section:

- 1) to a non-resident Estonian citizen;
- 2) to a non-resident who files a claim "Certification of residence and beneficial owner of income for application of international agreement" certified by the competent authority of the state of residence;
- 3) if a corresponding agreement on exchange of data has been entered into with the competent authority of the state of residence of a non-resident.

[RT I, 06.12.2012, 1 - entry into force 01.05.2013]

#### **§ 42<sup>1</sup>. Calculation and payment of old-age pension upon employment by institutions of European Community**

(1) If a person commences work in an institution of the European Community, the Social Insurance Board shall organise the calculation and totalization of the old-age pension for the insured person, and entry of the total amount in the pension scheme of the institution of the European Community pursuant to the procedure provided by subsection 12 (2<sup>1</sup>) of this Act.

(2) The expenses related to the transfer of the pension funds provided for in subsection (1) of this section shall be covered from the state budget.

[RT I 2007, 62, 395 - entry into force 01.01.2008]

#### **§ 43. Payment of state pensions to persons who are employed**

(1) Survivor's pension and national pension shall not be paid to persons specified in clause 22 (1) 3) of this Act who are employed, except to children under 18 years of age, or to students under 24 years of age enrolled in daytime study or, for medical reasons, in another form of study, or full-time study.  
[RT I 2010, 41, 240 - entry into force 01.09.2010]

(1<sup>1</sup>) An early retirement pension shall not be paid if the person continues working until he or she attains pensionable age as provided in § 7 of this Act.

(2) Within the meaning of this Act, employment means earning of income which is subject to social tax on the basis of an employment contract, contract of service or civil law contract or operating as an undertaking.

(3) The employment of the persons specified in clause 22 (1) 3) of this Act and subsection (1<sup>1</sup>) of this section shall be certified by the data in the employment register provided for in § 25<sup>1</sup> of the Taxation Act.  
[RT I, 16.04.2014, 3 - entry into force 01.07.2014]

#### **§ 44. Payment of state pension on basis of authorisation document**

(1) A state pension shall be paid on the basis of an authorisation document during the period of validity of such document.  
[RT I 2008, 48, 264 - entry into force 23.11.2008]

(2) The authorisation document shall be notarised or certified by the head of the in-patient medical institution in which the pensioner is treated.

(3) If no term is set out in an authorisation document, it is valid for one year as of the date of certification.

(4) If an authorisation document is certified by the head of an in-patient medical institution, it is valid for the one-time receipt of unreceived pension for a period of up to six months.  
[RT I 2008, 48, 264 - entry into force 23.11.2008]

#### **§ 45. Unreceived pension**

(1) If a pension which is paid by post is not withdrawn for at least six months, payment of the pension shall be suspended. After submission of the appropriate application and the document provided for in subsection 2 (2) of the Identity Documents Act, the pension shall be paid retroactively.

(2) Upon the death of a pensioner, the Social Insurance Board shall pay the unreceived state pension to persons who have the right to receive a survivor's pension. Parents, the spouse and other family members have the right to receive the unreceived state pension even if they are not among the persons insured by a survivor's pension.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(3) Within the meaning of this section, other family members are:

- 1) children, grandchildren, children of spouses;  
[RT I, 02.07.2012, 2 - entry into force 01.01.2013]
- 2) guardians, wards;
- 3) brothers, sisters, children of sisters and brothers;
- 4) grandparents, parents' spouses.  
[RT I, 02.07.2012, 2 - entry into force 01.01.2013]

(4) If several family members address the Social Insurance Board with a claim for unreceived state pension due to the death of a pensioner at the same time, the pension due shall be divided equally between them.

(5) A state pension shall be paid to a claimant if the claim is submitted within six months after the death of the pensioner.

#### **§ 46. Payment of state pensions to sentenced pensioners**

(1) If a court convicts a pensioner and punishes him or her by imprisonment, payment of his or her state pension shall be suspended during imprisonment.

(2) If a person is taken into custody as a preventive measure, payment of his or her state pension shall be suspended for the time the person is held in custody. The pension shall be paid to the person retroactively after a court judgment enters into force if the person is acquitted or is not subject to punishment by imprisonment.

(3) If a court orders the administration of coercive medical treatment with regard to a pensioner, during the period such treatment is administered his or her pension shall be paid at one half of the national pension rate, but in the amount not exceeding the pension granted, recalculated and indexed for the person.

(4) If a pensioner specified in subsections (1)–(3) of this section has dependants listed in clause 20 (2) 1) of this Act, his or her state pension shall be paid to them in the following amounts:

- 1) in the case of one dependant, 25 per cent of the pension;
- 2) in the case of two dependants, 50 per cent of the pension;
- 3) in the case of three or more dependants, 75 per cent of the pension.

(5) If the pension paid pursuant to subsections (3) and (4) of this section exceeds the amount of the pension granted, recalculated and indexed for the person, the pension shall be paid in the granted, recalculated and indexed amount.

[RT I 2002, 53, 338 - entry into force 01.07.2002]

#### **§ 46<sup>1</sup>. Suspension of payment of pension to missing person**

(1) If a pensioner is missing or declared to be a fugitive because he or she evades service of imprisonment, payment of the pension shall be suspended after one month has passed from the receipt of such information from the police.

(2) Upon establishing the whereabouts of the pensioner, pension shall be paid retroactively as of the suspension of payment of the pension. Pension shall not be paid retroactively if the person has been declared to be a fugitive because he or she evades service of imprisonment.

(3) If a person is missing and the right of his or her dependants to receive survivor's pension has arisen on the basis of subsection 20 (5) of this Act, the pension paid retroactively to the person shall be reduced by the survivor's pension paid to the dependants.

[RT I, 22.06.2016, 1 - entry into force 02.07.2016]

#### **§ 47. Withholding amounts from state pension**

(1) Amounts may be withheld from a state pension only:

- 1) on the basis of a decision subject to enforcement pursuant to the Code of Enforcement Procedure;
- 2) on the basis of a decision of the Social Insurance Board, to collect pension amounts which have been overpaid to a pensioner if the overpayment is due to knowingly submitting of false information by the pensioner or failure to notify of circumstances which affect the grant of the pension.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2) The amount withheld from a state pension shall be calculated based on the pension prescribed for the pensioner, on the basis of the total amount of the state pension.

(3) On the basis of a decision subject to enforcement pursuant to the Code of Enforcement Procedure, up to 50 per cent of a state pension may be withheld, but at least 50 per cent of the national pension rate shall be retained for a pensioner.

(4) On the basis of a decision of the Social Insurance Board, up to 20 per cent of a state pension may be withheld in addition to amounts withheld pursuant to subsection (3) of this section, but at least 50 per cent of the national pension rate shall be retained for a pensioner.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(5) With the written consent of the pensioner, an amount which exceeds the limits provided for in subsection (4) of this section may be withheld on the basis of a decision of the Social Insurance Board.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(6) The Social Insurance Board shall transfer an amount withheld pursuant to subsection (3) of this section to the official bank account of a bailiff or the bank account of a tax administrator.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(7) [Repealed - RT I 2006, 49, 370 - entry into force 20.11.2006]

#### **§ 48. Reclamation of pension amounts**

(1) If a person does not have the right to receive state pension or if payment of a state pension terminates before an overpaid amount withheld on the basis of a decision of the Social Insurance Board is fully recovered, the Social Insurance Board shall issue a precept together with a warning to the person or his or her successor for reclamation of the overpaid amount. Upon failure to comply with the precept within a term set out in the warning, the Social Insurance Board has the right to issue a precept for compulsory execution pursuant to the procedure provided in the Code of Enforcement Procedure.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(1<sup>1</sup>) If there is no information concerning the address of a person or if a person does not live at the address known and if the actual location of the person is unknown and the precept cannot be delivered in any other manner, the conclusion of the precept shall be published in the official publication *Ametlikud Teadaanded*.  
[RT I 2008, 48, 264 - entry into force 23.11.2008]

(2) State pension paid without basis after the death of a pensioner shall be required to be returned to the Social Insurance Board by the successor or other recipient of the payment. The Social Insurance Board shall issue a precept together with a warning to the person for reclamation of the overpaid amounts. Upon failure to comply with the precept within a term set out in the warning, the Social Insurance Board has the right to issue a precept for compulsory execution pursuant to the procedure provided in the Code of Enforcement Procedure.  
[RT I 2010, 38, 231 - entry into force 01.07.2010]

(3) If a person is declared permanently incapacitated for work due to a traffic accident or if a person loses his or her provider due to a traffic accident, the Social Insurance Board shall collect the paid pension for incapacity for work, survivor's pension or national pension from an insurer engaging in motor third party liability insurance if the right of claim against the insurer dealing in motor third party liability insurance arises for the person who receives state pension.  
[RT I 2006, 49, 370 - entry into force 20.11.2006]

## **Chapter 11**

# **ORGANISATION OF STATE PENSION INSURANCE AND STATE PENSION INSURANCE REGISTER**

### **§ 49. Organisation of state pension insurance**

State pension insurance shall be organised by the Social Insurance Board which is in the area of government of the Ministry of Social Affairs.

### **§ 50. State Pension Insurance Register**

(1) The state pension insurance register (hereinafter *register*) is a database belonging to the state information system within the meaning of the Public Information Act.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2) The Government of the Republic shall establish the statutes for the maintenance of the state pension insurance register.

### **§ 51. Purpose and chief processor of register**

(1) The purpose of maintaining the register is to ensure the existence of information for the grant and payment of state pensions, benefits and maintenance allowance, the collection of maintenance claims transferred to the state, the determination of a degree of severity of a disability and the provision of the special care service and social rehabilitation service.  
[RT I, 17.12.2015, 1 - entry into force 01.01.2016]

(2) The chief processor of the register is the Ministry of Social Affairs.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(3) The authorised processor of the register is the Social Insurance Board.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

### **§ 52. Entries in register and receiving data from register**

(1) Data shall be entered in and received from the register pursuant to the Public Information Act, the Personal Data Protection Act, the Population Register Act, the Social Tax Act, the Social Welfare Act, the Health Insurance Act, the Code of Enforcement Procedure, the Code of Civil Procedure, this Act and other Acts, and the statutes for the maintenance of the state pension insurance register.  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2) The Social Insurance Board shall submit data to the database established on the basis of § 8<sup>1</sup> of the Labour Market Services and Benefits Act to the extent and pursuant to the procedure provided by the statutes of the database.

### **§ 53. Composition, sources and registration of data**

(1) The register shall contain the following:

- 1) personal data and data related to personal data, based on data in the population register;  
[RT I, 06.12.2012, 1 - entry into force 01.01.2013]
- 2) [repealed - RT I, 06.12.2012, 1 - entry into force 01.01.2013]

3) data concerning social tax calculated for persons, based on data in the register of taxable persons or certificates concerning social tax calculated. If a person is a sole proprietor, data concerning social tax paid shall be entered in the register;

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

4) basic data concerning the grant and payment of pensions, benefits and compensation to persons;

[RT I 2003, 82, 549 - entry into force 01.01.2004]

5) data concerning the grant and payment of pensions, benefits and compensation to persons;

6) data concerning disability;

[RT I, 17.12.2015, 1 - entry into force 01.01.2016]

7) data concerning referral of persons to receive services and provision of services to persons.

[RT I, 17.12.2015, 1 - entry into force 01.01.2016]

(1<sup>1</sup>) The exact list of data specified in clauses (1) 1), 3), 6) and 7) of this section shall be established by a regulation of the Government of the Republic.

[RT I, 17.12.2015, 1 - entry into force 01.01.2016]

(2) On the basis of data in the register, records on social tax paid or calculated for a person, years of pensionable service and accumulation period and the grant and payment of pensions shall be maintained.

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

(2<sup>1</sup>) In addition to the data specified in subsection (2), records shall be maintained, based on register data, concerning a person with regard to the funds received from the pension scheme of the institutions of European Communities and the accumulation period calculated based on such funds.

[RT I 2007, 62, 395 - entry into force 01.01.2008]

(3) On the basis of data in the register, the insurance component of every insured person and the sum of the insurance components shall be calculated once a year pursuant to the procedure provided for in § 12 of this Act.

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

#### **§ 54. Notification of insured persons**

(1) By 10 April each calendar year, insured persons are enabled access through an electronic channel allowing unequivocal identification of a person to the following data concerning the previous calendar year:

1) social tax calculated for or paid by them;

[RT I, 06.12.2012, 1 - entry into force 01.01.2013]

2) the sum of the pension insurance part of their social tax;

3) the sum of the state pension insurance part of social tax;

4) the amount of the insurance component;

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

5) the sum of insurance components;

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

6) the accumulation period;

7) average amount of pension insurance part of individually registered social tax.

[RT I, 10.03.2015, 5 - entry into force 01.07.2016]

(2) A notice with the data specified in subsection (1) of this section shall be issued to insured persons at their request.

[RT I 2004, 16, 120 - entry into force 01.04.2004]

## **Chapter 12 STATE PENSION INSURANCE FUNDS**

#### **§ 55. State pension insurance funds**

Funds for financing state pension insurance shall be prescribed in the annual state budget.

#### **§ 56. Sources for covering expenditure prescribed for state pension insurance**

(1) The sources for covering expenditure prescribed for state pension insurance in the state budget are:

1) the pension insurance part of social tax according to the Social Tax Act and the balance of such funds which remain unused at the end of the budgetary year;

2) fines according to the Employees Disciplinary Punishments Act and the balance of such funds which remain unused at the end of the budgetary year;

3) funds received into the state budget from the reclamation of pension amounts and the balance of such funds which remain unused at the end of the budgetary year;

- 4) allocations prescribed from the state budget for specific purposes that are paid into the pension insurance reserve and emergency reserve, and the balance of such funds which remain unused at the end of the budgetary year;
- 5) other funds prescribed in the state budget for payment of pensions;
- 6) funds prescribed in the state budget for incurring the expenditure specified in subsection 57 (2) of this Act. [RT I 2007, 62, 395 - entry into force 01.01.2008]

(1<sup>1</sup>) In addition to the funds specified in subsection (1) of this section, the amounts received into the state budget pursuant to the procedure provided by the Council Regulation specified in subsection 12 (2<sup>1</sup>) of this Act shall be used as a source for covering the expenditure prescribed for state pension insurance. If an insured person is an obligated person within the meaning of the Funded Pensions Act, then 16/22 of the amount received shall be transferred to the state pension insurance funds. [RT I 2007, 62, 395 - entry into force 01.01.2008]

(2) [Repealed - RT I 2007, 62, 395 - entry into force 01.01.2008]

### **§ 57. Expenditure prescribed for state pension insurance**

(1) Only the following expenditure shall be financed out of the sources for covering expenditure prescribed for state pension insurance specified in clauses 56 (1) 1)–5) and subsection (1<sup>1</sup>) of this Act:

- 1) old-age pensions (including old-age pensions under favourable conditions, early retirement pensions and deferred old-age pensions), pensions for incapacity for work, survivor's pensions and pensions retained in their former amounts provided for in this Act, except pension supplements provided for in § 24 of this Act and parts of pensions which correspond to the years of pensionable service provided for in subsection 28 (3) of this Act;
- 2) pensions provided for in the Superannuated Pensions Act and the Old-Age Pensions under Favourable Conditions Act;
- 3) payments prescribed on the basis of the Council Regulation specified in subsection 12 (2<sup>1</sup>) of this Act. [RT I 2007, 62, 395 - entry into force 01.01.2008]

(2) All other expenditure arising from this Act shall be financed out of funds specified in clause 56 (1) 6) of this Act. [RT I 2007, 62, 395 - entry into force 01.01.2008]

(3) Pensions and pension supplements paid by the Estonian state pursuant to other Acts shall be financed out of funds prescribed by the corresponding Acts.

(4) If, pursuant to Acts established after adoption of the state budget, the sources for covering expenditure prescribed for state pension insurance decrease or the expenditure increases, additional sources for covering expenditure shall be provided by law.

## **Chapter 13 IMPLEMENTATION OF ACT**

### **§ 58. Previously determined categories of disability**

(1) In the case of persons whose category of disability has been determined for a specified term on the basis of the State Allowances Act and who within such term have not reached the pensionable age, their categories of disability are deemed to correspond to the permanent incapacity for work determined until the expiry of such term and medical examination for incapacity for work shall be conducted in respect of them within the specified term.

(2) The category of disability of a person shall not be reviewed if the category has been determined for a specified term on the basis of the State Allowances Act and the person attains the pensionable age not later than by 31 March 2003.

(3) The categories of disability of persons specified in subsection (2) of this section and persons up to the pensionable age whose category of disability has been determined for an unspecified term on the basis of the State Allowances Act are deemed to correspond to the permanent incapacity for work determined until the pensionable age.

(4) In the cases provided for in subsections (1) and (3) of this section, the following percentages of loss of capacity for work are deemed to correspond to the following categories of disability:

- 1) a 100 per cent loss of capacity for work corresponds to Category I disability;
- 2) an 80 per cent loss of capacity for work corresponds to Category II disability;
- 3) a 60 per cent loss of capacity for work corresponds to Category III disability.

(5) Persons between the age of 16 and the pensionable age whose category of disability has been determined for an unspecified term on the basis of the State Allowances Act have the right to request a medical examination for



incapacity for work with respect to their permanent incapacity for work pursuant to the procedure provided for in this Act.

(6) Except in the cases provided for in subsection (4) of this section, categories of disability are, until 31 March 2003, deemed to correspond to degrees of permanent incapacity for work as follows:

- 1) total incapacity for work with a 100 per cent loss of capacity for work corresponds to Category I disability;
- 2) partial incapacity for work with an 80 or 90 per cent loss of capacity for work corresponds to Category II disability;
- 3) partial incapacity for work with a 40 to 70 per cent loss of capacity for work corresponds to Category III disability.

(7) For the purposes of subsection 10 (1) of this Act, raising of a disabled child or a person under 18 years of age who is disabled since childhood is deemed to be equivalent to raising of a disabled child who is under 18 years of age.

#### **§ 58<sup>1</sup>. Specifications for increasing deferred old-age pension**

A deferred old-age pension shall not be increased pursuant to the procedure provided for in subsection 8 (3) of this Act for a period:

- 1) during which the person does not meet the conditions for the grant of state pensions provided for in subsection 4 (1) of this Act;
  - 2) during which the person receives a state pension or a pension from another state;
  - 3) after the person attains the pensionable age before 1 January 2002.
- [RT I 2002, 53, 338 - entry into force 01.07.2002]

#### **§ 58<sup>2</sup>. Differences in recalculation of old-age pension coefficient and permissibility of transfer of pension rights**

(1) A person who meets the conditions provided for in subsection 12 (2<sup>1</sup>) of this Act and receives an old-age pension based on the state pension insurance before 1 January 2008 has the right to apply for the recalculation of the pension and the insurance component of the insured person according to the amounts received in the pension insurance funds from the pension scheme of the institutions of the European Communities.

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(2) The rights provided for in this Act shall extend to all applications for the transfer of pension rights which are submitted after 1 May 2004.

[RT I 2007, 62, 395 - entry into force 01.01.2008]

#### **§ 59. Calculation of accumulation periods and insurance parts of state pensions for years 1999, 2000 and 2001**

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(1) For calendar years 1999, 2000 and 2001, one year towards the accumulation period of an insured person shall be calculated for the insured person for whom individually registered social tax has been paid or calculated pursuant to the Social Tax Act in an amount equal to at least the minimum monthly wage for a year.

(2) For calendar years 1999, 2000 and 2001, upon calculation of the accumulation period, the individually registered social tax of an insured person for a calendar year shall be compared to the social tax calculated on the minimum monthly wage for January of the corresponding year multiplied by twelve.

(3) For calendar years 1999, 2000 and 2001, if social tax is paid by the state pursuant to § 6 of the Social Tax Act, the accumulation period shall be calculated to be equivalent to payment of social tax on the minimum monthly wage.

(4) In order to calculate the insurance component of an insured person for the calendar years 1999, 2000 and 2001, the amounts of the individually registered social tax calculated for the insured person shall be totalled and divided by the average amount of the individually registered social tax in the given calendar year.

[RT I, 10.03.2015, 5 - entry into force 01.04.2015]

(5) The Government of the Republic shall approve the average amount of individually registered social tax of the year 2001 not later than on 20 March 2002 and this shall be implemented in the grant and recalculation of pensions for a term commencing on 1 April 2002.

(6) If a pension is granted with a commencement date before 1 April 2002, the average amount of individually registered social tax of the year 2001 which is approved by the Government of the Republic shall be taken as the basis for calculation of the pension.

## **§ 60. Retention of previously granted pensions**

(1) The payment of pensions granted before the entry into force of this Act shall be continued in the former amount until the specified date in the following cases:

- 1) for pensioners whose pension calculated pursuant to this Act proves to be smaller than the pension previously paid;
- 2) for pensioners whose category of disability has not been reviewed or whose percentage of loss of capacity for work is determined to be higher than or equal to the percentage determined previously, unless the pension calculated pursuant to this Act proves to be less than the pension previously paid;
- 3) for pensioners for whom the right to receive a state pension does not arise pursuant to this Act, except in the case provided for in subsection (2);

(2) The type of pensions of old-age pensioners who were granted a state pension before the entry into force of this Act and for whom the right to receive an old-age pension does not arise pursuant to this Act shall be retained and the pensions shall be calculated pursuant to the provisions of § 11 of this Act. If a calculated pension proves to be smaller than the pension previously paid, payment of the pension shall continue in the former amount.

(2<sup>1</sup>) The payment of a pension to one parent, or the widow, widower or guardian who is raising a child, brother, sister or grandchild of the provider who is from 3 to 14 years of age in his or her family and to whom a survivor's pension has been paid during the period from 1 April 2000 to 31 December 2001 shall be continued in the former amount for the specified term.

[RT I 2002, 53, 338 - entry into force 01.07.2002]

(3) A person who, before the entry into force of the Defence Forces Service Act, was granted a pension for incapacity for work on the basis of permanent incapacity for work arising from the performance of duties in the service of the Defence Forces, retains the right to receive a pension for incapacity for work.

(4) A person to whose pension a pension supplement of 25 per cent of the national pension rate was added before the entry into force of the Defence Forces Service Act retains the right to receive the specified pension supplement if the person is declared permanently incapacitated for work due to injury or illness related to injury upon the performance of duties in the service of the Defence Forces if the percentage of the loss of his or her capacity for work is at least 40 per cent.

(5) [Repealed - RT I 2003, 88, 589 - entry into force 01.01.2004]

## **§ 61. Value of base amount of pension, year of pensionable service and national pension rate**

(1) From 1 January to 31 March 2002, the base amount of a pension shall be 410 kroons, the value of a year of pensionable service shall be 27 kroons 85 cents and the national pension rate shall be 800 kroons.

(1<sup>1</sup>) From 1 July 2002 to 31 March 2003, the base amount of a pension shall be 444 kroons 44 cents, the value of a year of pensionable service shall be 31 kroons 69 cents and the national pension rate shall be 867 kroons 20 cents.

(1<sup>2</sup>) From 1 July 2003 to 31 March 2004, the base amount of a pension shall be 577 kroons 33 cents.

(1<sup>3</sup>) On 1 April 2004, the base amount of pension is additionally increased after indexation by 50 kroons and the value of a year of pensionable service is increased by 1.13 kroons.

(1<sup>4</sup>) On 1 July 2005, the base amount of pension is increased by 150 kroons, the value of a year of pensionable service is increased by 3.02 kroons and the national pension rate is increased by 100 kroons.

(1<sup>5</sup>) On 1 April 2006, the base amount of pension is increased after indexation by 60 kroons and the value of a year of pensionable service is increased by 1.53 kroons.

(1<sup>6</sup>) On 1 July 2007, the base amount of pension is increased by 250 kroons and the national pension rate is increased by 150 kroons.

[RT I 2007, 40, 286 - entry into force 23.06.2007]

(2) The value of the base amount of a pension, a year of pensionable service and the national pension rate for the following periods shall be calculated pursuant to the procedure provided for in § 26 of this Act.

## **§ 61<sup>1</sup>. Enrolment in daytime study**

(1) Instead of the requirement for enrolment in full-time study, provided in clause 20 (2) 1), subsection 41 (4) and 43 (1) of this Act, persons admitted to educational institutions before the academic year 2003/2004 are required to enrol in daytime study.

[RT I, 02.07.2013, 1 - entry into force 01.09.2013]

(2) Instead of the requirement for enrolment in daytime study at a vocational educational institution provided for in clause 20 (2) 1) and subsection 43 (1) of this Act, persons admitted to vocational training before the academic year 2012/2013 are required to enrol in full-time study or another form of study for medical reasons. [RT I, 02.07.2013, 1 - entry into force 01.09.2013]

#### **§ 61<sup>2</sup>. Grant and recalculation of pension retroactively**

Pension shall be granted to or recalculated for pensioners who have the right to a pension, pension supplement or additional pension qualifying period upon entry into force or amendment of the Act after the date of entry into force of the Act or the entry into force of the relevant amendment if the application and the documents necessary for the grant of the pension have been submitted within six months after the entry into force of the Act or the relevant amendment. If an application is submitted later, pension shall be granted in accordance with subsection 32 (2) of this Act or recalculated in accordance with subsection 25 (1) of this Act. [RT I, 02.07.2012, 2 - entry into force 01.01.2013]

#### **§ 61<sup>3</sup>. Allocations prescribed in state budget for specific purposes paid into pension insurance reserve and emergency reserve**

The funds allocated by state budgets to the pension insurance reserve and emergency reserve before 1 January 2008 are also deemed to be the allocations prescribed in the state budget for specific purposes which are paid into the pension insurance reserve and emergency reserve specified in clause 56 (1) 4) of this Act. [RT I 2007, 62, 395 - entry into force 01.01.2008]

#### **§ 61<sup>4</sup>. Payment of pensions**

(1) State pensions shall be paid pursuant to the procedure provided by subsections 36 (1) and (5) of this Act as of 1 February 2009. [RT I 2008, 48, 264 - entry into force 23.11.2008]

(2) Until 1 February 2009, a state pension shall be paid monthly for the current month through the Social Insurance Board either to the bank account of the pensioner or by post at the expense of the payer as requested by the pensioner. A state pension shall be transferred to the account of a pensioner in a bank in a foreign state at the expense of the recipient. [RT I 2008, 48, 264 - entry into force 23.11.2008]

(3) As of 1 February 2009, a state pension granted before 1 February 2009 shall be paid pursuant to the procedure provided in § 36 of this Act. [RT I 2008, 48, 264 - entry into force 23.11.2008]

(4) If the pensioner has not notified the Social Insurance Board of his or her bank account number or submitted an application in accordance with clause 36 (1) 2) and it is therefore not possible to pay the pension pursuant to the procedure provided for in § 36 of this Act, payment of the pension shall be suspended as of 1 February 2009. After submission of the appropriate application and the document provided for in subsection 2 (2) of the Identity Documents Act, the pension shall be paid retroactively. [RT I, 06.12.2012, 1 - entry into force 01.01.2013]

#### **§ 61<sup>5</sup>. Obligation of analysis**

The Government of the Republic shall prepare an analysis by the year 2019 concerning the effect of the pensionable age provided for in this Act on the financial and social sustainability of the pension insurance system and, if necessary, submit a proposal to the *Riigikogu* changing of the pensionable age provided for in § 7 of this Act or establishing of a flexible pensionable age. [RT I 2010, 18, 97 - entry into force 16.05.2010]

#### **§ 61<sup>6</sup>. Specifications for transition to the euro**

The base amount of pension, value of a year of pensionable service and the national pension rate shall be converted into euros according to the euro conversion rate of the Estonian kroon which is determined by the Council of the European Union in accordance with Article 140(3) of the Treaty on the Functioning of the European Union. [RT I 2010, 22, 108 - entry into force 01.01.2011]

### **§ 61<sup>7</sup>. Implementation of subsections 16 (10<sup>3</sup>) and (10<sup>4</sup>)**

If a person submits an application for an examination for establishment of permanent incapacity for work before entry into force of the conditions provided for in subsections 16 (10<sup>3</sup>) and (10<sup>4</sup>) of this Act, the procedure in force at the time of submission of the application shall apply.  
[RT I, 27.03.2012, 6 - entry into force 01.06.2012]

### **§ 61<sup>8</sup>. Specifications upon payment of pension supplement**

(1) The pension supplement provided for in clause 24 (1<sup>1</sup>) 1<sup>1</sup>) of this Act shall be paid without the agreement specified in subsection (7) of the same section to a person who receives pension upon entry into force of this section and whose years of pensionable service include the pension qualifying period provided for in clause 28 (2) 12) of this Act.

(2) A person specified in clause 24 (1<sup>1</sup>) 1<sup>1</sup>) of this Act who does not consent to the payment of the pension supplement to the person whose years of pensionable service include the pension qualifying period provided for in clause 28 (2) 12) of this Act may submit an application to the Social Insurance Board on the basis of which payment of the pension supplement is terminated to the person specified in subsection (1) of this section. The pension supplement shall be continued to be paid pursuant to the agreement provided for in subsection 24 (7) of this Act to one person specified in clause (1<sup>1</sup>) 1<sup>1</sup>) of the same section.  
[RT I 02.07, 2012, 2 - entry into force 01.01.2018 (entry into force changed RT I, 11.07.2014, 2)]

### **§ 61<sup>9</sup>. Application of this Act in connection with entry into force of the Work Ability Allowance Act**

(1) A person who has been declared permanently incapacitated for work after 1 July 2010 and a person specified in subsection 58 (3) of this Act shall have the right to apply for an examination or re-examination for establishment of permanent incapacity for work provided for in this Act from 1 July 2016 until 31 December 2016.

(2) As of 1 July 2016, a person has the right to receive a pension for incapacity for work or a national pension on the basis of permanent incapacity for work provided for in this Act if the person has been declared permanently incapacitated for work with a 40 to 100 per cent loss of capacity for work and the person complies with other requirements for receiving a pension for incapacity for work or a national pension on the basis of permanent incapacity for work provided for in this Act.

(3) Chapters 3 and 9 of the wording of this Act in force before 1 July 2016 and implementing provisions issued on the basis thereof shall apply to a person who has the right to receive a pension for incapacity for work on the basis of a bilateral international agreement entered into by the Republic of Estonia and who is residing in the territory of the other party, until the amendment of the international agreement. If a person settles in the Republic of Estonia from the territory of the other party, payment of the pension for incapacity for work to the person shall continue until the expiry of the term of permanent incapacity for work.

(4) Subsection 16 (11) of the wording of this Act in force before 1 January 2016 shall apply to a person who applies for an examination for establishment of permanent incapacity for work together with determination of the degree of severity of disability until 31 December 2016.

(5) The wording of this Act in force before 1 July 2016 shall apply upon retroactively establishing the disability of a disabled child or a person under 18 years of age who is disabled since childhood.  
[RT I, 17.12.2015, 1 - entry into force 01.07.2016]

### **§ 61<sup>10</sup>. Grant of survivor's pension to person who is permanently incapacitated for work**

The condition provided for in § 20 and subsection 41 (4) of this Act concerning partial or no work ability established on the basis of the Work Ability Allowance Act is also met if the person has been declared permanently incapacitated for work with a 40 to 100 per cent loss of capacity for work on the basis of this Act or whose category of disability determined for an unspecified term on the basis of the State Allowances Act is deemed to correspond to the permanent incapacity for work determined until the pensionable age pursuant to § 58 of this Act.  
[RT I, 17.12.2015, 1 - entry into force 01.07.2016]

## **Chapter 14 FINAL PROVISIONS**

§ 62.–§ 67.[Omitted from this text.]

### **§ 68. Entry into force of Act**

This Act enters 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]