



## European network of legal experts in gender equality and non-discrimination

### FLASH REPORT

<b>Country:</b>	Estonia
<b>Title:</b>	New patterns of maximising family income
<b>Date:</b>	28 April 2020
<b>Expert:</b>	Anu Laas
<b><u>Context</u></b>	
<b>Issue at stake:</b>	Fathers take parental leave and mothers stay at home
<b>Grounds of discrimination:</b>	Gender
<b>Field of application:</b>	Parental leave, Statutory social security, Equal pay
<b>Source:</b>	Policy development
<b>Applicable law:</b>	Family Benefits Act; Employment Contracts Act

### **Content**

**Policy development:** The Estonian parental leave system is generous, providing three years of parental leave with guaranteed employment. Parental leave is paid for 435 days (parental benefit). The right to parental benefits begins on the day following the last day of the pregnancy and maternity leave. Parental leave could be taken by the mother or the father, but only one parent is entitled to the parental benefit at a time. The parental leave system was seen as rigid and some legal amendments entered into force on 1 March 2018, which allowed the parental benefits recipient to earn income without losing the benefits.<sup>1</sup> The results are twofold: the share of fathers taking parental leave has increased (Table 1 below), but there are cases where mothers are staying at home and providing childcare whilst the father is claiming parental leave. These mothers can lose their social guarantees. Therefore, mothers' economic dependency on their partner tends to increase.

**Key points of analysis:** The amendments to legal acts regarding family related leave were adopted on 6 December 2017 and 17 October 2018. Transitional provisions were planned to take place between 2018 and 2022. Some changes entered into force on 1 March 2018 (a person on parental leave could continue work without losing parental benefit; additional allowances for multiple births of three or more children). Additional changes entered into force on 1 September 2019 (the basis for the time period for the calculation of parental benefits changed; monthly payments for child care allowance have been stopped, while child allowance is paid) and more amendments will enter into force on 1 July 2020 (extension of paternity leave to 30 days, paid by the state, can be taken any time before or after the birth of the child or during the parental leave period; parental benefits for mothers or fathers shall be granted (435 days in total) until the day the child

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<sup>1</sup> It is allowed to keep working and receive income while receiving parental benefit. If one month's income is lower than half the maximum limit of parental benefit, parental benefit is not reduced. If the income is higher than half the maximum limit of benefit, we reduce the parental benefit. In 2020 half the maximum limit of benefit is EUR 1774. Out of all the family benefits only parental benefit is subject to income tax (20 %).

attains 36 months of age).<sup>2</sup> These legal amendments allow for more flexibility regarding parental leave arrangements.

After 1 March 2018, parental leave and work could be combined and more fathers took parental leave, but actually continued their paid work. This might be due to men's higher salaries and the high gender pay gap in Estonia. Vaitmaa (2020) studied fathers on parental leave and found that out of nearly 4 000 fathers on parental leave, 2 252 were permanently employed. The Social Insurance Board uses the data of the employment register for verification of the employment and parental leave status. There is little data about the activities of mothers whose employed spouses and partners have taken parental leave. Vaitmaa carried out several interviews with mothers. Many of them quit a job and stayed home to care for the child(ren). Other childcare strategies included hiring a babysitter, asking grandparents (who are, however, often too young and still employed themselves), or the sometimes the mother herself registering as unemployed and staying at home. The latter strategy has the added benefit that unemployed persons have health insurance.

The number of live births in Estonia was 13 521 in 2017, 14 270 in 2018 and 13 898 in 2019.<sup>3</sup> In 2019 there were 3931 fathers on parental leave with parental benefit. There were higher share of fathers among those who get the parental benefit in the maximum rate (Table 2). It appears that mothers and fathers calculate their parental leave benefits based on different scenarios, and it can be assumed that the economic gain is often more important for parents than one parent's (of the mother's) social guarantees. The mother may lose her health insurance if she is not employed or involved in activities equal to employment (e.g. studies).

*Table 1. Share of fathers out of persons receiving parental benefit, %*

	2009	2017	2018	2019
Total	6,3	8,9	10,3	12,3
Parental benefit in the amount of 100 % of the income in one calendar month	7,9	10,9	12,5	15,0
Parental benefit in the rate of the parental benefit	1,2	1,7	2,0	1,9
Parental benefit in the rate of the minimum monthly wages	1,1	1,4	1,9	1,9
Parental benefit in the maximum rate	20,9	28,7	29,5	33,7

Source: Statistics Estonia, [www.stat.ee](http://www.stat.ee)

(A share of fathers based on statistical data was calculated by Anu Laas)

*Table 2. Persons receiving parental benefit by type of parental benefit*

	Males and females	Males	Females
Total	31951	3931	28020
Parental benefit in the amount of 100 % of the income in one calendar month	22122	3327	18795
Parental benefit in the rate of the parental benefit	3395	66	3329
Parental benefit in the rate of the minimum monthly wages	5133	99	5034
Parental benefit in the maximum rate	1301	439	862

Source: Statistics Estonia, [www.stat.ee](http://www.stat.ee)

<sup>2</sup> On 5 August 2019 the Minister of Social Affairs has issued a regulation No. 48 on conditions of 30-day paternity leave, the leave will be available from 1 July 2020. This is applicable for fathers, whose child is born after 30 June 2020.

<sup>3</sup> The data are derived from statistical accounting records of birth registration. Statistics Estonia.

**Internet link source:** Perehüvitiste seadus (Family Benefits Act),  
<https://www.riigiteataja.ee/en/eli/508112019002/consolide>  
Social Insurance Board. For Recipients of Parental Benefit.  
<https://www.sotsiaalkindlustusamet.ee/en/family-and-child-protection/family-benefits-recipient#Working%20while%20receiving%20parental%20benefit>  
Vaitmaa, E. (2020), Naine, ära pane end titaga kodus olles mehest sõltuma!  
(*Women, don't get too dependent on your husband if you stay at home with your baby*).  
Available in Estonian at: <https://epl.delfi.ee/arvamus/autorikulg-naine-ara-pane-end-titaga-kodus-olles-mehest-soltuma?id=89132431>.