



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

FLASH REPORT

Country:	Estonia
Title:	Social guarantees for PhD students
Date:	29 April 2020
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<u>Context</u>	
Issue at stake:	PhD student allowance and scholarship v. pay
Grounds of discrimination:	Other grounds
Field of application:	Parental leave; social protection
Source:	National equality body
Applicable law:	Family Benefits Act; Social Tax Act; Health Insurance Act

Content

Legal development: On 31 January 2020, an applicant asked the Chancellor of Justice to give an opinion about maternity leave and parental leave payment principles in Estonia. The applicant asked whether it is fair that the social tax paid by the state for PhD students who get PhD student allowance is not considered for the calculation of the allowance for temporary incapacity to work. The applicant stated that the doctoral allowance was a significant part of her income before maternity leave. The Chancellor of Justice stated in the answer that there is nothing in the law to prevent calculating sick leave payments and parental benefits for PhD students, but that PhD students' status as students rather than employees is problematic. The poor social guarantees for PhD students have been discussed for years, but no positive solution has yet been achieved. The issue affects more women than men, because only 2 % of those receiving parental benefit at the rate of the minimum monthly wages are men. It might constitute a reason for women not to pursue a PhD.

Key points of analysis: The state or legal persons in public law pay social tax for persons receiving a doctoral allowance, as stipulated in the Article 6(14) of the Social Tax Act. PhD students, whose studies are funded by the Estonian government, are entitled to a monthly PhD student allowance, which is EUR 660 in 2020. Some students can get a performance scholarship as additional monetary support.¹ Unfortunately, the PhD student allowance is not considered to be employment income and thus the social tax paid by the state is not considered in the calculation of leave payments. A PhD student who is on academic leave or on parental leave is therefore not entitled to the monthly student allowance. Parental benefits are calculated based on your income for which your employer has paid social tax (salary, bonuses, etc.). The parental benefit is paid also if any income earned fell outside the taxable bracket. In this case, the benefit is paid in the amount of the minimum wage that applied on January 1st of the previous calendar year (EUR 540 in 2020). The current law only provides doctoral students with health insurance, but the allowance does

¹ This means that PhD student's monthly income is higher than the minimum wage in Estonia.

not contribute to sick leave payments and parental benefits. This monthly payment is defined by the state every year and provides a monthly minimum lump sum.²

Many doctoral students are forced to have side jobs in order to make ends meet and thus cannot focus only on their studies.

Social security for doctoral students has been a target of higher education and research policies for a number of strategic periods. This was already the focus of the Estonian Research and Development and Innovation Strategy 2007-2013 'Knowledge-based Estonia',³ but it was not implemented. In 2014, legal amendments to the Social Tax Act and the Health Insurance Act were adopted. The purpose of the bill was to solve some of the problems affecting the effectiveness of doctoral studies and to promote social security rights of doctoral students. In 2014, the Minister of Education and Research Jevgeni Ossinovski said: 'Providing better social guarantees to doctoral students is the country's way of saying that we recognize doctoral studies as a valid career choice. No PhD student should suffer income loss because they have a baby.'⁴

The legal changes entered into force on 1 September 2015, but the expected impact as described in the explanatory memorandum was not reached.⁵ In 2020, PhD students are still seen as students (not employees) by the Health Insurance Board and by banks. Students have the same social security rights as foreseen for insured persons, but problems arise with respect to sick leave and other leave payments. Moreover, banks do not issue credit cards for students.

In 2019, the Ministry of Education and Research promised to carry out an analysis and promises were made by the Government's Economic Development Commission in early 2020 that discussions would be held concerning proposals for funding opportunities for higher education. An overview of The Government Action Plan 2019 shows that the Ministry of Education and Research is in the process of drafting an amendment to the Study Allowances and Student Loans Act and the Higher Education Act. The aim is to offer PhD students the opportunity to start working as junior researchers, which also means transforming their doctoral support into a junior researcher's salary.

Internet link source: Chancellor of Justice. Opinion No. 6-1/200344/2001203 of 5 March 2020 on social protection of doctoral students. Available in Estonian at: https://www.oiguskantsler.ee/sites/default/files/field_document2/Doktorandi%20sotsiaalsestest%20garantiidest.pdf.

More social guarantees for doctoral students, changes to need-based allowances, news.err.ee, 20.11.2014, <https://news.err.ee/114324/more-social-guarantees-for-doctoral-students-changes-to-need-based-allowances>.

Seletuskiri sotsiaalmaksuseaduse ja ravikindlustuse seaduse muutmise seaduse eelnõu 729 SE juurde (*Explanatory Memorandum to the Bill on Amendments to the Social Tax Act and the Health Insurance Act 729 SE*), <https://www.riigikogu.ee/tegevus/eelnoud/eelnou/a5ec9756-5e36-4fd2-aeb2-4191a8f056f2/Sotsiaalmaksuseaduse%20ja%20ravikindlustuse%20seaduse%20muutmise%20seadus>.

² Article 2.1 of the Social Tax Act provides the monthly rate, determining that the basis for the payment of social tax shall be established in the state budget for each budgetary year. The monthly rate established in the state budget shall not be less than the minimum wages established by the Government of the Republic that was in force on 1 July of the preceding budgetary year.

³ <https://www.digar.ee/arhiiv/et/raamatud/12129>.

⁴ More social guarantees for doctoral students, changes to need-based allowances, news.err.ee, 20.11.2014, <https://news.err.ee/114324/more-social-guarantees-for-doctoral-students-changes-to-need-based-allowances>.

⁵ Riigikogu (2014) Seletuskiri sotsiaalmaksuseaduse ja ravikindlustuse seaduse muutmise seaduse eelnõu juurde 729 SE (Explanatory Memorandum to the Bill on Amendments to the Social Tax Act and the Health Insurance Act 729 SE). Available in Estonian at: <https://www.riigikogu.ee/tegevus/eelnoud/eelnou/a5ec9756-5e36-4fd2-aeb2-4191a8f056f2/Sotsiaalmaksuseaduse%20ja%20ravikindlustuse%20seaduse%20muutmise%20seadus>.

[4191a8f056f2/Sotsiaalmaksuseaduse%20ja%20ravikindlustuse%20seaduse%20muutmise%20seadus.](https://www.valitsus.ee/sites/default/files/valitsuse_tegevusprogrammi_taitmise_aruanne_2019_loplik_19.12.19.pdf)

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