

Tax rates

On this page you will find the rates of income tax, social tax, contribution to mandatory funded pension and unemployment insurance premium applicable from 2023 to 2025 as well as national minimum wage rates since 1996.



Tax rates

EXPAND ALL

2025

2024

2023

2025

The rate of withheld income tax is 22%.

The amount of basic exemption depends on a person's income (up to 654 euros per month and up to 7,848 euros per year). In order for the basic exemption to be calculated, the person must submit a written application to the employer or the person making the payment.

More information on the calculation of basic exemption of [a resident](#) and [non-resident](#).

Basic exemption at pensionable age does not depend on a person's income (up to 776 euros per month and up to 9,312 euros per year). In order for the basic exemption to be calculated, the person at pensionable age does not need to submit an application to the Social Insurance Board or the Funded Pension Registry. The Social Insurance Board calculates the basic exemption automatically and transfers the unused balance of basic exemption to the Funded Pension Registry.

More information: [Basic exemption at pensionable age](#)

Expenses incurred to promote the health of employees in the amount of **400 euros per employee in a year** are exempt from tax.

The corporate income tax rate is 22/78.

As of 01.01.2025, the tax calculation of regularly distributed dividends, i.e. the lower tax rate of 14/86, will be eliminated and only the standard rate of 22/78 will apply. Estonian companies will still be entitled to tax exemption from 2025 when further distributing dividends received until 31 December 2024 and taxed at a lower tax rate (14/86) to shareholders who are legal persons. The prerequisite for the tax exemption is that the Estonian company that received and further distributed the dividend had at least a 10% holding in the respective company at the time of receiving the dividend. When further distributing dividends taxed at a lower tax rate (14/86) to a natural person shareholder, there is an obligation to withhold income tax at a rate of 7% ([subsection 68 of § 61 of the Income Tax Act, effective from 01.01.2025](#)).

The rate of social tax is 33 per cent. The monthly rate of the minimum social tax obligation is 820 euros (instead of 725 euros in force in 2024), i.e. the minimum obligation of social tax is 270.60 euros per month.

[The unemployment insurance premium rates](#) are 1.6% for the employee and 0.8% for the employer (the same as in 2024).

The obligation to withhold employee's unemployment insurance premium (1.6%) ends on the last day of the month in which the employee reaches pensionable age or is granted early retirement or flexible old-age pension. The employer shall continue to pay unemployment insurance premium on the wages paid to an employee at pensionable age or employee who has been granted an early retirement pension or flexible old-age pension at the rate established for the employer (0.8%).

The funded pension contribution rate is 2%, 4% or 6%, depending on a person's application to the registrar. If a person has not made an application to use a higher rate, the default contribution rate is 2%.

The obligation to withhold the contribution to funded pension may change 3 times a year: 1 January, 1 May and 1 September. This is regardless of whether a person leaves the second pillar, suspends contributions to the second pillar, retires from the second pillar or joins the second pillar.

Information about the obligation to withhold funded pension contributions can be obtained through the Funded Pension Registry's [subscription query](#) by means of a simple or mass query using personal identification codes.

We recommend that accountants check the obligation to withhold contributions to employees' funded pension in December, April and August.

From January 2024, persons who have joined the second pillar will be able to increase their 2% funded pension contribution rate to 4% or 6% if they wish. The application can be submitted by 30 November each year at the latest and the rate can be changed once a year. The new contribution rate will apply from 1 January.

More information: [Amendment to the funded pension contribution rate as of 1 January 2025](#)

Upon making payments for December 2024, it should be borne in mind that taxation is cash-based, i.e. if the December wages are paid out in

January, the taxes and payments must be calculated in the 2025 rates and declared in the tax return (form TSD) submitted for January (the submission deadline is 10 February 2025). However, if the December wages are paid in December 2024, the 2024 rates will have to be applied for the calculation/withholding of taxes and payments, and the taxes and payments will have to be declared in the tax return (form TSD) submitted for December 2024 (the submission deadline is 10 January 2025).

[2024](#)

The rate of withheld income tax is 20%.

The amount of basic exemption depends on a person's income (up to 654 euros per month and up to 7,848 euros per year). In order for the basic exemption to be calculated, the person must submit a written application to the employer or the person making the payment.

More information on the calculation of basic exemption of [a resident](#) and [non-resident](#).

Basic exemption at pensionable age does not depend on a person's income (up to 776 euros per month and up to 9,312 euros per year). In order for the basic exemption to be calculated, the person at pensionable age does not need to submit an application to the Social Insurance Board or the Funded Pension Registry. The Social Insurance Board calculates the basic exemption automatically and transfers the unused balance of basic exemption to the Funded Pension Registry.


More information: [Basic exemption at pensionable age](#)

Expenses made for improving employees' health to the extent of 100 euros per employee in a quarter are exempt from tax.

More information: [Health and sport expenses](#)

The rate of corporate income tax applicable to dividends is 20/80. The rate of corporate income tax on regularly payable dividends is 14/86 and the rate of income tax additionally withheld from dividends paid to natural persons is 7%.


The rate of social tax is 33 per cent. The monthly rate of the minimum social tax obligation is 725 euros (instead of 654 euros in force in 2023), i.e. the minimum obligation of social tax is 239.25 euros per month.

[The unemployment insurance premium rates](#)  are 1.6% for the employee and 0.8% for the employer (the same as in 2023).

The obligation to withhold employee's unemployment insurance premium (1.6%) ends on the last day of the month in which the employee reaches pensionable age or is granted early retirement or flexible old-age pension. The employer shall continue to pay unemployment insurance premium on the wages paid to an employee at pensionable age or employee who has been granted an early retirement pension or flexible old-age pension at the rate established for the employer (0.8%).

The funded pension contribution rate is 2%.

The obligation to withhold the contribution to funded pension may change 3 times a year: 1 January, 1 May and 1 September. This is regardless of whether a person leaves the second pillar, suspends contributions to the second pillar, retires from the second pillar or joins the second pillar.

Information about the obligation to withhold funded pension contributions can be obtained through the Funded Pension Registry's [subscription query](#)  by means of a simple or mass query using personal identification codes.

We recommend that accountants check the obligation to withhold contributions to employees' funded pension in December, April and August.

As of 1 January 2024, persons who have joined the II pillar will have the opportunity to increase their 2% funded pension contribution rate to 4% or 6% if they wish. For this purpose, a corresponding application must be submitted to the registrar of the pension register or account administrator (from 1 January 2024 to 30 November 2024) and the new payment rate will apply from 1 January 2025.

More information: [Amendment to the funded pension contribution rate as of 1 January 2025](#)

Upon making payments for December 2023, it should be borne in mind that taxation is cash-based, i.e. if the December wages are paid out in January, the taxes and payments must be calculated in the 2024 rates and declared in the tax return (form TSD) submitted for January (the submission deadline is 10 February 2024). However, if the December wages are paid in December 2023, the 2023 rates will have to be applied for the calculation/withholding of taxes and payments, and the taxes and payments will have to be declared in the tax return (form TSD) submitted for December 2023 (the submission deadline is 10 January 2024).

[2023](#)

The rate of withheld income tax is 20%.

The amount of basic exemption depends on a person's income (up to 654 euros per month and up to 7,848 euros per year). In order for the basic exemption to be calculated, the person must submit a written application to the employer or the person making the payment.

More information on the calculation of basic exemption of [a resident](#) and [non-resident](#).

Basic exemption at pensionable age does not depend on a person's income (up to 704 euros per month and up to 8,448 euros per year). In order for the basic exemption to be calculated, the person at pensionable age does not need to submit an application to the Social Insurance Board or the Funded Pension Registry. The Social Insurance Board calculates the basic exemption automatically and transfers the unused balance of basic exemption to the Funded Pension Registry. More information: [Basic exemption at pensionable age](#)

Expenses made for improving employees’ health to the extent of 100 euros per employee in a quarter are exempt from tax. More information: [Health and sport expenses](#)

The rate of corporate income tax applicable to dividends is 20/80. The rate of corporate income tax on regularly payable dividends is 14/86 and the rate of income tax additionally withheld from dividends paid to natural persons is 7%.

The rate of social tax is 33 per cent. The monthly rate of the minimum social tax obligation is 654 euros (instead of 584 euros in force in 2022), i.e. the minimum obligation of social tax is 215.82 euros per month.

The unemployment insurance premium rates [↗](#) are 1.6% for the employee and 0.8% for the employer (the same as in 2022). The obligation to withhold employee’s unemployment insurance premium (1.6%) ends on the last day of the month in which the employee reaches pensionable age or is granted early retirement or flexible old-age pension. The employer shall continue to pay unemployment insurance premium on the wages paid to an employee at pensionable age or employee who has been granted an early retirement pension or flexible old-age pension at the rate established for the employer (0.8%).

The funded pension contribution rate is 2%. The obligation to withhold the contribution to funded pension may change 3 times a year: 1 January, 1 May and 1 September. This is regardless of whether a person leaves the second pillar, suspends contributions to the second pillar, retires from the second pillar or joins the second pillar. Information about the obligation to withhold funded pension contributions can be obtained through the Funded Pension Registry’s [subscription query](#) [↗](#) by means of a simple or mass query using personal identification codes.

- applications submitted in the period 1 April 2022 – 31 July 2022 suspend the obligation to contribute on 1 January 2023, this information has been included in the subscription query of the Funded Pension Registry as of 1 December 2022;
- applications submitted in the period 1 August 2022 – 30 November 2022 suspend the obligation to contribute on 1 May 2023, this information has been included in the subscription query of the Funded Pension Registry as of 1 April 2023;
- applications submitted in the period 1 December 2022 – 31 March 2023 suspend the obligation to contribute on 1 September 2023, this information will be added on 1 August 2023.

NB! As the applicant has the right to withdraw the application no later than one month before the suspension of the obligation to contribute, the Funded Pension Registry cannot receive information about the obligation to pay contributions earlier than 1 month before the due date of suspension. Therefore, we recommend that accountants check the obligation to withhold contributions to employees’ funded pension in December, April and August.

As of 1 January 2023, the withholding of 2% of the funded pension contribution will start for employees who have reached the age of 18 in 2022 (if they have not submitted an application for suspension of contributions in 2022).

Upon making payments for December 2022, it should be borne in mind that taxation is cash-based, i.e. if the December wages are paid out in January, the taxes and payments must be calculated in the 2023 rates and declared in the tax return (form TSD) submitted for January (the submission deadline is 10 February 2023). However, if the December wages are paid in December 2022, the 2022 rates have to be applied for the calculation/withholding of taxes and payments, and the taxes and payments have to be declared in the tax return (form TSD) submitted for December 2022 (the submission deadline is 10 January 2023).

National minimum wage rates

Since 1 January 2025 the minimum hourly wage rate is 5,31 euros per hour. The minimum monthly wage in the case of full-time working time is 886 euros.

From	Minimum wage per hour	Minimum monthly wage in the case of full-time work	Basis
01.01.2025	5,31 euros	886 euros	Government of the Republic Regulation No 87 of 19.12.2024 ↗
01.01.2024	4,86 euros	820 euros	Government of the Republic Regulation No 113 of 08.12.2023 ↗
01.01.2023	4,30 euros	725 euros	Government of the Republic Regulation No 124 of 09.12.2022 ↗
01.01.2022	3,86 euros	654 euros	Government of the Republic Regulation No 116 of 09.12.2021 ↗
01.01.2021	3,48 euros	584 euros	Government of the Republic Regulation No 115 of 19.12.2019 ↗

From	Minimum wage per hour	Minimum monthly wage in the case of full-time work	Basis
01.01.2020	3,48 euros	584 euros	Government of the Republic Regulation No 115 of 19.12.2019 ↗

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PREVIOUSLY APPLICABLE MINIMUM WAGE				▼
From	Minimum wage per hour	Minimum monthly wage in the case of full-time work	Basis	
01.01.2019	3,21 euros	540 euros	Government of the Republic Regulation No 117 of 13.12.2018 ↗	
01.01.2018	2,97 euros	500 euros	Government of the Republic Regulation No 189 of 21.12.2017 ↗	
01.01.2017	2,78 euros	470 euros	Government of the Republic Regulation No 139 of 18.12.2015 ↗	
01.01.2016	2,54 euros	430 euros	Government of the Republic Regulation No 139 of 18.12.2015 ↗	
01.01.2015	2,34 euros	390 euros	Government of the Republic Regulation No 166 of 28.11.2013 ↗	
01.01.2014	2,13 euros	355 euros	Government of the Republic Regulation No 166 of 28.11.2013 ↗	
01.01.2013	1,90 euros	320 euros	Government of the Republic Regulation No 6 of 10.01.2013 ↗	
01.01.2012	1,80 euros	290 euros	Government of the Republic Regulation No 169 of 22.12.2011 ↗	
01.01.2011	1,73 euros	278,02 euros	Government of the Republic Regulation No 118 of 23.08.2010 ↗ § 81	
01.01.2008	27 kroons	4350 kroons	Government of the Republic Regulation No 90 of 11 June 2009 ↗ Government of the Republic Regulation No 254 of 20 December 2007 ↗	
01.01.2007	21 kroons 50 cents	3600 kroons	Government of the Republic Regulation No 273 of 21 December 2006	
01.01.2006	17 kroons 80 cents	3000 kroons	Government of the Republic Regulation No 328 of 22 December 2005	
01.01.2005	15 kroons 90 cents	2690 kroons	Government of the Republic Regulation No 374 of 23 December 2004	
01.01.2004	14 kroons 60 cents	2480 kroons	Government of the Republic Regulation No 323 of 18 December 2003	
01.01.2003	12 kroons 90 cents	2160 kroons	Government of the Republic Regulation No 366 of 3 December 2002	

From	Minimum wage per hour	Minimum monthly wage in the case of full-time work	Basis
01.01.2002	10 kroons 95 cents	1850 kroons	Government of the Republic Regulation No 396 of 18 December 2001
01.01.2001	9 kroons 40 cents	1600 kroons	Government of the Republic Regulation No 428 of 19 December 2000
01.01.2000	8 kroons 25 cents	1400 kroons	Government of the Republic Regulation No 360 of 23 November 1999
01.01.1999	7 kroons 35 cents	1250 kroons	Government of the Republic Regulation No 270 of 8 December 1998
01.01.1998	6 kroons 50 cents	1100 kroons	Government of the Republic Regulation No 245 of 18 December 1997
01.02.1997	5 kroons	845 kroons	Government of the Republic Regulation No 52 of 6 March 1997
01.01.1996	4 kroons	680 kroons	Government of the Republic Regulation No 14 of 16 January 1996

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Last updated: 30.12.2024

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☐ Yes ☐ No