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European Monitoring Centre on Change

Estonia: Public authorities information and consultation on dismissals

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Estonia

Phase:

Anticipation

Type:

Public authorities information and consultation on dismissals

Last modified: 06 June, 2019

Native name:

Töölepingu seadus

English name:

Employment Contracts Act

Article

101-103

Description

Collective dismissals means termination, within 30 calendar days, of the employment contract of no less than:

- 5 employees in an enterprise where the average number of employees is up to 19;
- 10 employees in an enterprise where the average number of employees is 20-99;
- 10 % of the employees in an enterprise where the average number of employees is 100 to 299;
- 30 employees in an enterprise where the average number of employees is at least 300.

Before an employer decides on collective dismissals they shall send a transcript of the following information to the Estonian Unemployment Insurance Fund (*Töötukassa*) concurrently with the submission of the information to employees' representative or, in his or her absence, the employees:

- the reasons for the collective dismissals;
- the number and official titles of all employees;
- the number and official titles of those employees and the selection criteria determining the persons whose employment contracts are to be cancelled;
- the period of time during which the employment contracts are to be cancelled;
- the method of calculation of the compensation to be paid to the employees in addition to the benefits prescribed by law or the collective agreement.

After consultations an employer shall submit the information specified above and the information about the consultations to the Estonian Unemployment Insurance Fund in a format which can be reproduced in writing. The employer shall send a transcript of the information to the employees or their representative concurrently with the submission of the information to the Estonian Unemployment Insurance Fund. The employees' representative may submit to the Estonian Unemployment Insurance Fund his or her opinion on the collective dismissals within seven calendar days as of sending the transcript of the information specified above.

Collective dismissals of employment contracts enter into force upon the expiry of the term for advance notice of dismissals, but not sooner than 30 calendar days after the time when the Estonian Unemployment Insurance Fund received the information specified above. During the period, the Fund shall seek solutions to the employment problems relating to the collective dismissals.

The Fund has the right to shorten the term if the employment problems can be resolved within a shorter term. The Fund may extend the term up to 60 calendar days if it finds that it cannot resolve the employment problems relating to the collective dismissals within 30 calendar days. The Fund shall communicate a decision to change the term to the employer in a format which can be reproduced in writing within 14 calendar days as of the receipt of the information specified above. The term of entry into force of the cancellation shall not be applied if employment contracts are cancelled collectively due to termination of the activities of the company on the basis of a court judgement which has entered into force.

Comments

According to the Employment Contract Act survey, 81%-94% of employers informed the public authorities about the dismissals according to the law (Masso et al, 2013).

The regulation is an important tool for monitoring collective redundancies and undertaking necessary action in case of large redundancies. It enables the start of activities towards employees who have received notice of redundancy and provides up-to-date information to the public employment service, enabling follow-up activities.

Cost covered by

Not applicable

Involved actors other than national government

Public employment service
Works council

Thresholds





Company size by number of employees:

19

Number of affected employees:

5

Sources

-  In Estonian: Töölepingu seadus
-  In English: Employment Contracts Act
-  Masso M, Järve J, Nurmela K, Anspal S, Räis , M L, Uudeküll K, Osila L, 2013. Töölepingu seaduse uuring. (title in English: Employment Contract Act Survey) Tallinn: Poliitikauuringute Keskus Praxis.
-  DG Employment, Social Affairs and Equal Opportunities/Héra, 2011. Selected companies' legal obligations regarding restructuring.
-  Eurofound, 2009. Unions fear new regulations may lead to redundancy cover-ups, EIROnline Articles.
-  EMCC legal framework of restructuring

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