

# Estonian population policy

Hanna Vsevirov  
Ministry of Social Affairs of Estonia

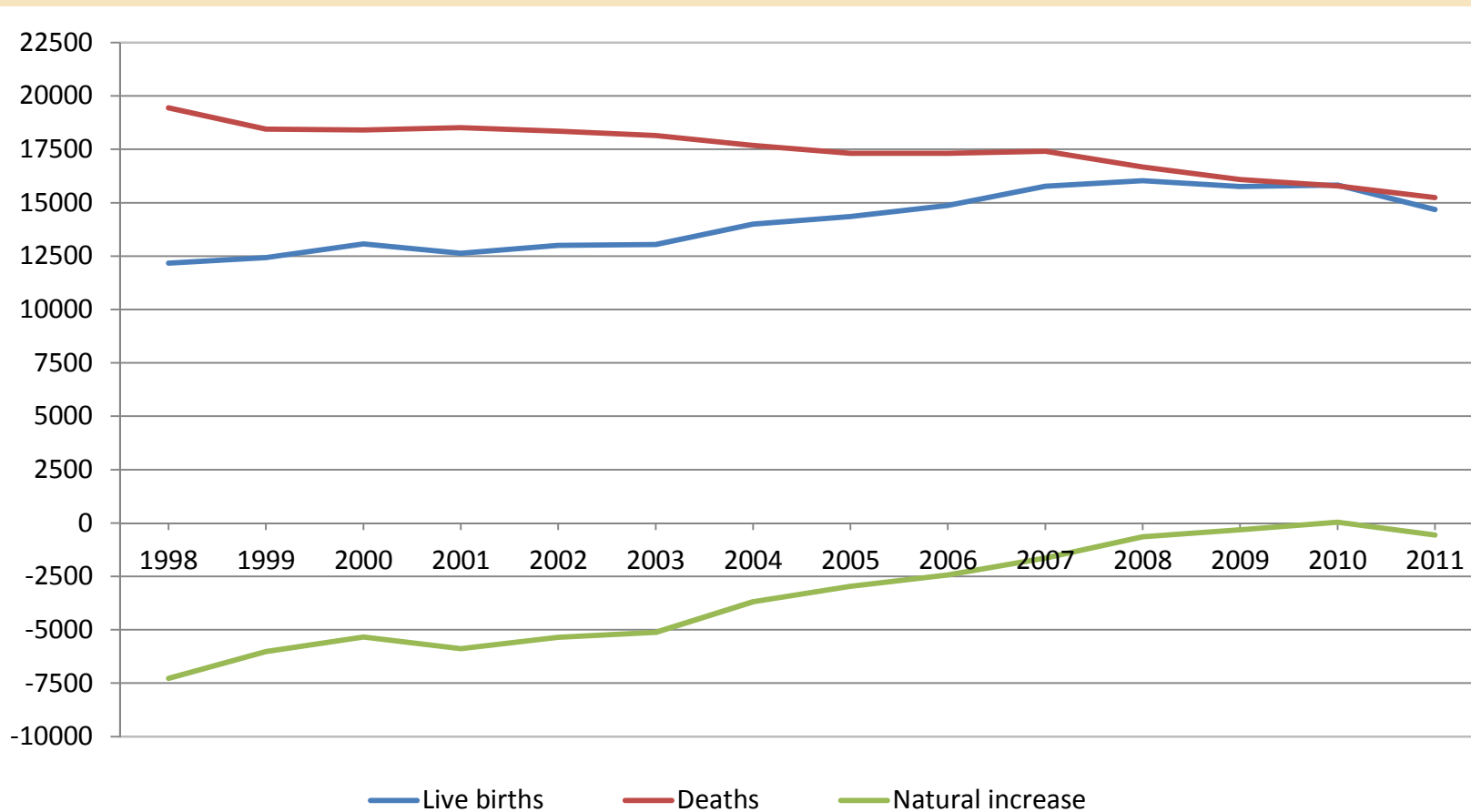
Riga, 26.09.2012



võrdsed võimalused inimväärses eluks

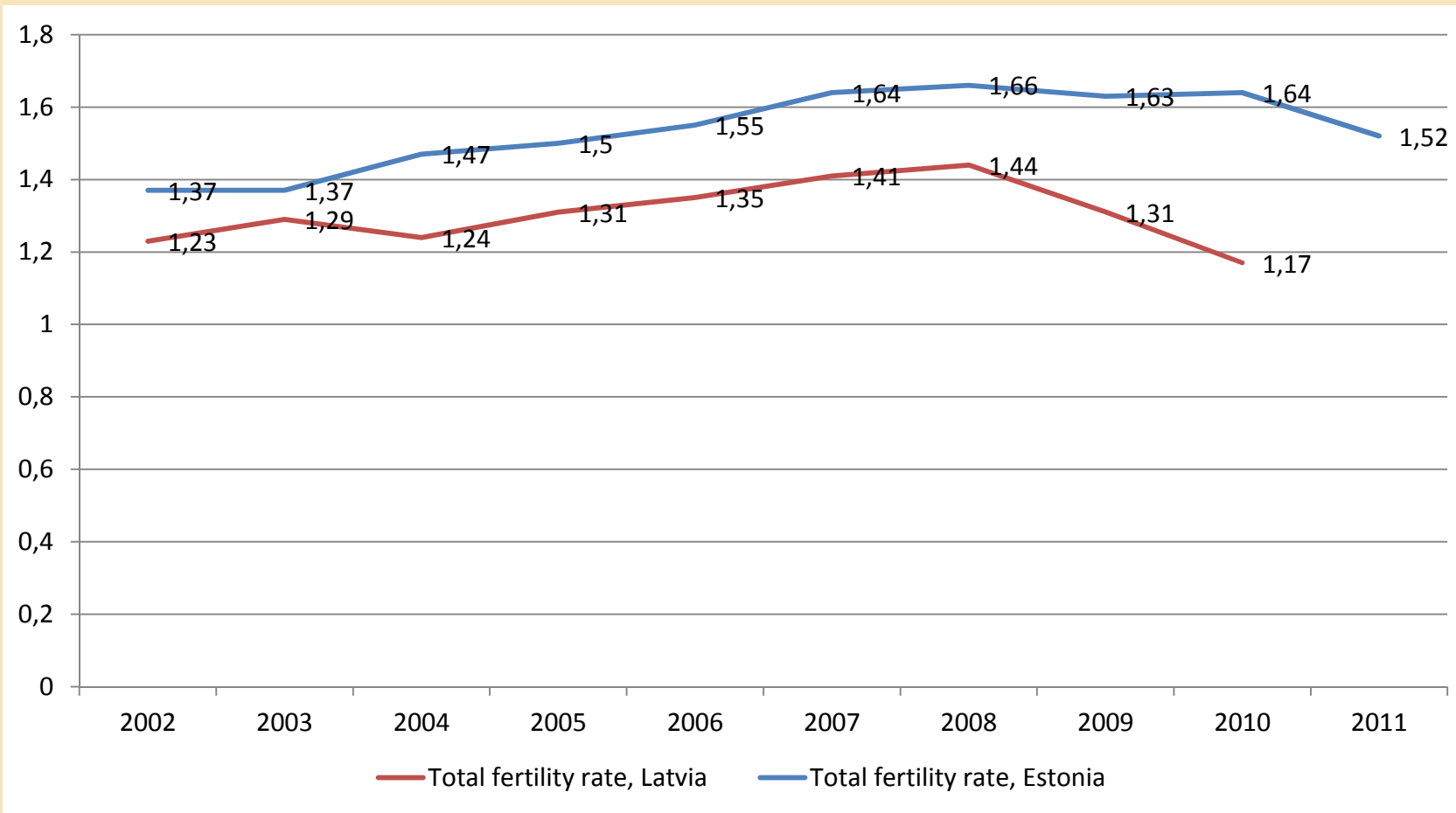


## Births, deaths, and natural increase in Estonia



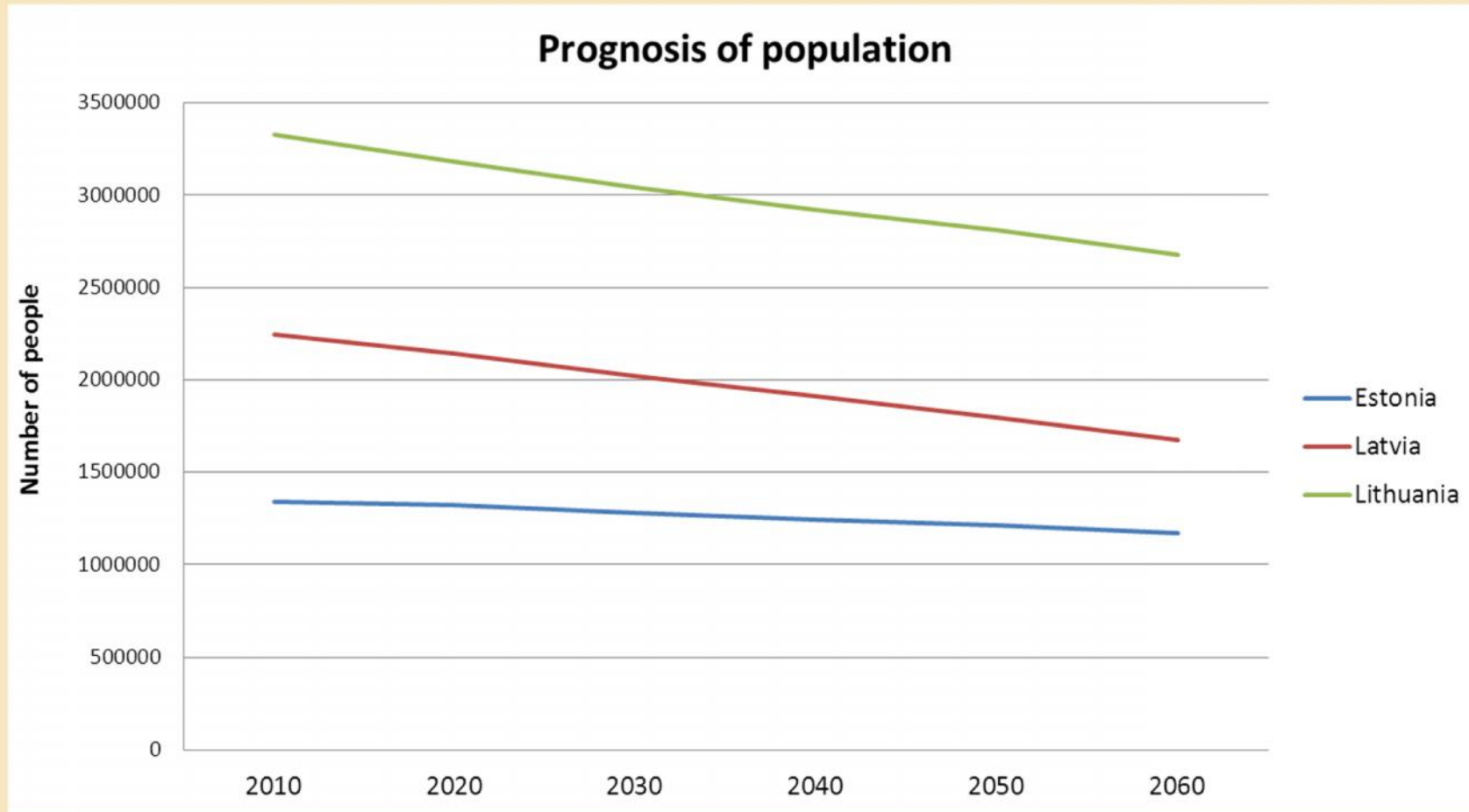


## Total fertility rate in Latvia and Estonia



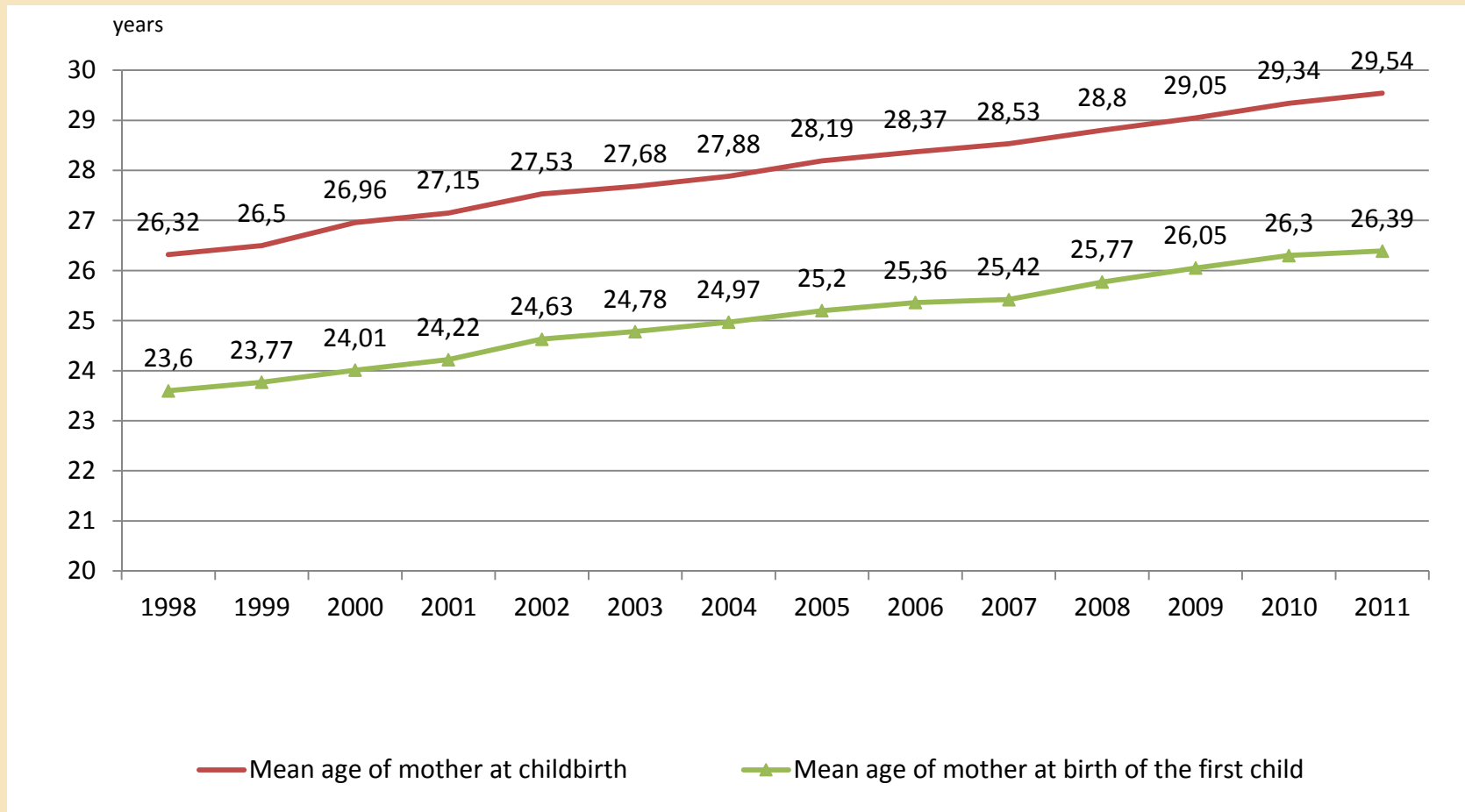


# Prognosis of population in Latvia, Lithuania and Estonia



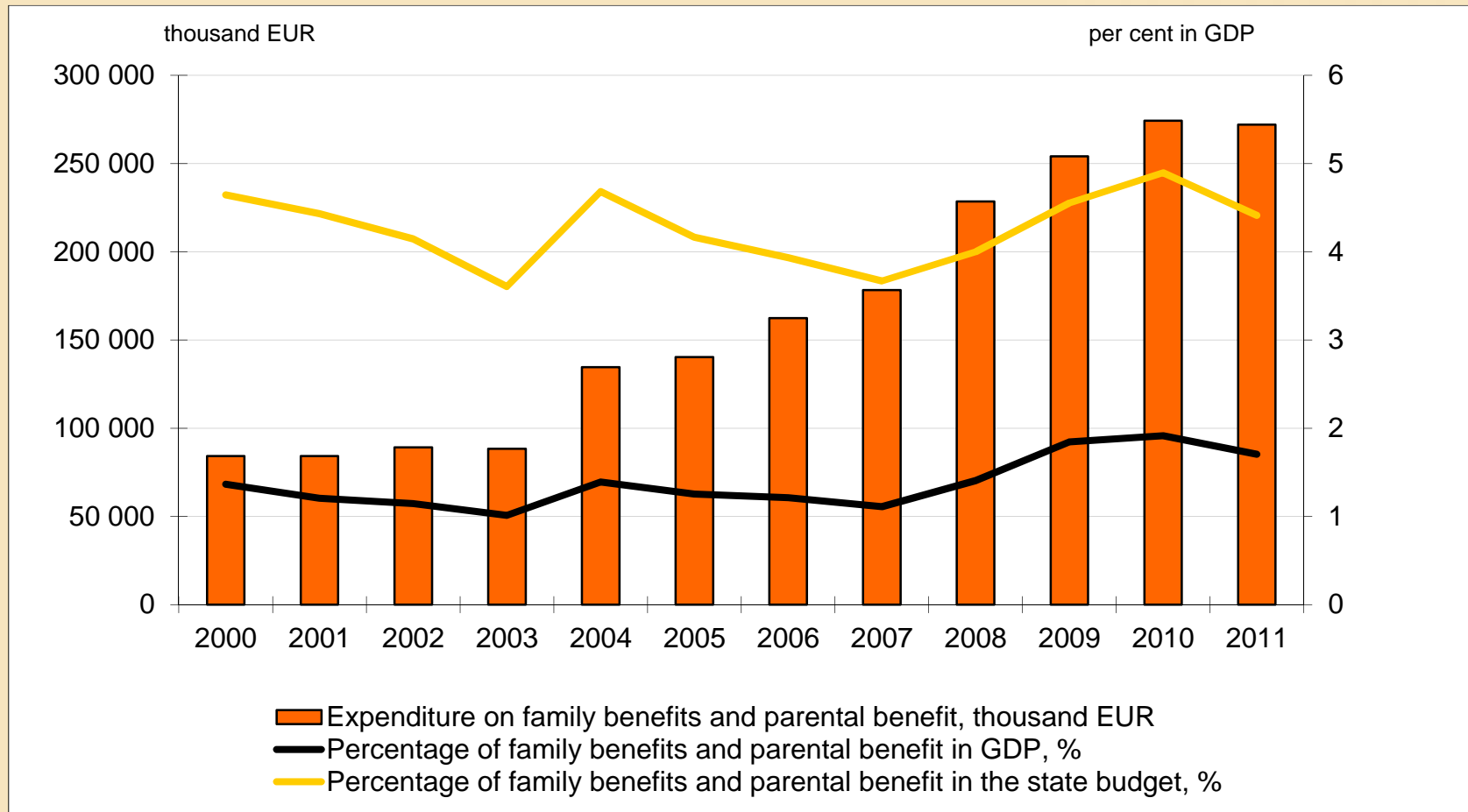


## Postponed births in Estonia





## Expenditure on family benefits and parental benefit and percentage on GDP





## **Governmental (Ministry of Social Affairs) documents in the field of population policy**

- ▶ Principles and Actions of the Population Policy 2009-2013
- ▶ National Health Plan 2009-2020
- ▶ Strategy of Children and Families 2012-2020



## **Strategy of Children and Families 2012-2020**

The main objective :

**To improve the well-being and quality of living of children and families, thereby promoting the birth of children.**



Strategic objectives are based on 5 themes:

1. Knowledge-based and uniform child and family policy
2. Positive parenting
3. Child rights and child protection system
4. Family benefits and services
5. Reconciliation of work, family and private life





## Impact of the crises on family policy

- ▶ Termination of income tax relief for the first child
- ▶ Termination of compensation of study loans for new applicants who have children under the age of 5
- ▶ Termination of payment of national school allowance
- ▶ Reduction of sickness care benefits for children under the age of 12 (from 100% of the salary to 80%)
- ▶ Termination of payment of childcare benefit while in receipt of birth grant, adoption allowance or parental benefit

### Temporarily suspended:

- ▶ Suspension of the paternity leave benefit (until 2013)
- ▶ Reduction in investments childcare provision and related subsidies by local municipalities
- ▶ The program 'A day care place for every child' was put on hold



## **Estonian family policy**

### **Universal family benefits system:**

- Childbirth allowance – 320 €
- Child allowance (0-16, in case of studying -19)
  - for the 1st and 2nd child – 19,18 €
  - for the 3rd and subsequent child – 57,54 €
- Child care allowance – 38,35 €(0-2 y), 19,18 €(3-8 y)
- Single parent's child allowance – 19,18 €
- Parent's allowance for families with seven or more children – 168,74 €



## Parental benefit

- ▶ Employees are entitled to a total of 575 calendar days of paid leave
- ▶ The first 140 days (maternity leave) are fully paid and can be claimed only by the mother
- ▶ 435 days can be shared between the parents and are compensated at 100% of their salary
- ▶ In 2012 the maximum rate is 2143.41 € per month
- ▶ In 2012 the flat rate (for parents who have not worked) is 278.02 €. This can be claimed for 18 months starting from childbirth.



## Tax relief

- ▶ People living in Estonia can deduct the costs of educating their children or children in their care up to the age of 26 from their annual income (including interest on study loans).
- ▶ One of the parents of a child (or a person providing for a child) can deduct additional tax-free income from income for the period of taxation for every child up to the age of 17 starting from the second child in the family.



## Reconciliation of professional and private life

- ▶ Different vacations and concurrent benefits
- ▶ e.g. leave to take care of a sick family member - 80% in the case nursing a child under 12 years of age.
- ▶ Flexicurity
  - ▶ e.g. employers cannot cancel employment contracts because an employee is pregnant, is entitled to pregnancy and maternity leave or fulfilling family obligations;
  - ▶ flexible working arrangement based on the agreement of the parties.
- ▶ Competition and certificate for family and employee friendly employers.



## Early education and care

- ▶ Local governments are obliged to secure a place in a municipal childcare facility to all children at the age between 1,5 – 7 years of age who live in their catchment areas.
- ▶ Lack of kindergarten places – in 33% of municipalities there were queues and they concern about 5900 children (2012).
- ▶ Some local governments pay extra subsidies so the families can receive the service from a private child care service provider
- ▶ State covers child-care service fees for children with a severe or profound disability aged 0-18 - 371 € per year per child.



## Reproductive health

- ▶ A woman's pregnancy may be terminated only at her own request.
- ▶ Pregnancy may be terminated if it has not lasted longer than 11 weeks, exceptionally up to 21 weeks.
- ▶ State pays for the artificial insemination for unlimited times till woman is until 40 y, has medical indication for the service and is insured.
- ▶ During 2009 – 2011 1153 children were born due to artificial insemination.
- ▶ Free counseling is given in Youth Advisory Centers for youth until the age of 25, no health insurance is needed.



## Pensions` system (1)

### Old-age pension:

- 2 y for one parent per every child whom he or she has raised for at least 8 y.
- 5 y before attaining the pensionable age – for raising a child under 18 y with moderate, severe or profound disability or 5 or more children
- 3 y before attaining the pensionable age – for raising 4 children for at least 8 years
- 1 y before attaining the pensionable age – for raising 3 children for at least 8 years
- 1% of the amount of parental benefit is added to the 2nd pension pillar (mandatory) from state budget





## Pensions` system (2)

### Parents` pension

1. To one parent raising a child born 1/1/2013 and later is paid 4% of the social tax on states average taxable wages to the second pension pillar for 3 years (except for a parent's working time).
  2. To one parent whose child is born 1/1/1991 – 31/12/2012 the pension supplement is paid for two annual factors.
  3. From the 1<sup>st</sup> of January 2015 the pension supplement for one annual factor is paid to one parent of a child born before 1/1/2013.
- Cost of the scheme is financed through State Budget. The contribution to the second pillar is 2,7 million € and the supplement of the pension 0,1 million € in 2013. Cost of the supplement of the pension for children born before 2013 is in 2015 22,7 million €



## Regional development

- ▶ Regional centers for people who have difficulties to enter labour market.
- ▶ Mobile customer service.
- ▶ Provincial centers for educational counseling.
- ▶ Plans to develop regional centers for providing services for children and families, incl. mobile teams of experts from different fields.
- ▶ Plans to establish child mental health center and corresponding networks in four Estonian regions.



## Other

Free school meal and educational needs for all children going in Elementary School (grades 1-9).

Free health insurance secured for all children (0-19 y).

National home benefit for large families - maximum grant for a family with 4 to 7 children is 6500 € and for a family with 8 or more children is 13 000 €.

State-operated housing loan guarantee for young families.

A monthly social benefit for an Estonian citizen who has settled in Estonia from a foreign state (lived there min 10 years).

Funds for the social subsistence doubled in 2009 and in 2011 the subsistence level increased.



## Effective measures/main influencers in promoting births

- Services that support couple relationships and parenting – e.g. pregnancy crisis counseling, family therapy, family mediation and positive parenting programs.
- Measures and attitudes that support gender equality.
- Services that reduce unemployment.
- A system of benefits that ensures basic security for all families and alleviates risks.
- Parental benefit has motivated high-salaried women to give birth to second and third child and influenced families to plan sequential births.



## Further plans in family policy (1)

- Childbirth allowance for triplets will increase up to 3000 €(2013 y)
- Universal child allowance will increase for families with 3 or more children – 76,72 €(2013 y); 95,9 € (2015 y).
- Child benefits will increase for families with one or two children if they live in relative poverty –28,77 € (2013 y) 38,36 €(2015 y).
- Paternity leave benefit will be restored (2013 y).



## **Further plans in family policy (2)**

### **Green paper of family benefits and services.**

- ▶ The objective of the paper is to find the most cost-effective model (that includes different benefits, allowances, the system of alimonys, tax exemption, early education and care, etc.) in fighting poverty.



## Other plans

- ▶ Disability insurance reform is being conducted, incl. unemployment benefit increases from 65 € to 145 € (half of the minimum wage).
- ▶ Pensionable age will increase gradually starting from 2017.



**Thank you!**