

The Benefits of Hiring in Estonia

Experience the ease of doing business in Estonia

Location:

**Northern Europe
(European Single Market)**

Currency:

Euro



KEY ADVANTAGES FOR EMPLOYERS

- › Flexible legislation for employers and fully [digital payrolling](#).
 - › Tech-driven economy and [highly skilled workforce](#).
 - › [0% corporate income tax](#) for reinvested profits.
 - › [Start-up mindset](#) and abundant e-services for seamless operations.
 - › [Multilingual advantage](#) - English is a common language in doing business.
 - › [Safe environment](#) with low crime rates.
 - › [Tailored services](#) for employees on [migration, taxation, and employment](#) questions by the [International House of Estonia](#).
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- › [Simplified administrative](#) tasks through advanced digital infrastructure.
 - › [Online registration](#) for new businesses and employees reduces paperwork.
 - › Instant checks for [patented company names](#) and standardized templates for shareholders.
 - › Private limited company can be started with a [share capital of just 0.01 EUR](#).

[Read more](#)



QUICK AND HASSLE-FREE COMPANY SETUP



EASY EMPLOYMENT

- › **Register the new employee smoothly** in the digital employment register online via the [e-Tax](#) system, utilizing your company's profile with the assistance of your e-residency card.
- › **Effortlessly declare salary payments** on the monthly combined corporate income and payroll tax return (TSD in Estonia) and promptly fulfill your tax obligations.
- › Access your **tax return conveniently online** through the e-Tax system.

[Read more](#)

- › Liberal "employment-at-will" policy makes it **employer-friendly**.
- › Transparent regulations facilitate a **pro-business environment**.
- › Labor laws are well-defined, **making it easier for employers** to understand their responsibilities.
- › Governmental institutions **offering multilingual support** (Estonian, English, Russian).



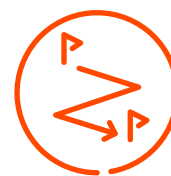
BUSINESS- FRIENDLY REGULATIONS



EMPLOYMENT BENEFITS AND POLICIES

- › **The average wage** stands at 1812 EUR. Statistics Estonia constantly updates it [here](#)
- › **No mandatory contributions** to chambers or professional associations.
- › **Individual income tax**: 20% (22% from 2025) calculated as a flat tax.
- › **Mandatory benefits**: Social security (33%), unemployment insurance (0,8%), public health insurance. Medical check (onboarding and to be repeated every three years) - EUR 160
- › **Vacation**: Employees are entitled to 28 calendar days of paid time off a year.
- › **Sickness**: In sickness, the employee's salary is deducted for days 1-3, while the employer covers payments from days 4-8. From day 9 onwards, compensation is provided by the [Estonian Health Insurance Fund](#).
- › **Termination of work contract**: Termination for valid reasons is permissible during and following the probationary period for reasons related to the employee or economic reasons
- › **Notice period**: In Estonia, the notice period is based on the length of the labor relationship - usually less than in other EU countries.

- › Estonia, the startup nation, boasts 10 unicorns and a vibrant ecosystem **with many foreign employees**.
- › Estonia's third-country migrant quota **excludes ICT professionals, other top specialists, and foreign nationals hired to work in growth companies**.
- › **Leverage e-residency** for seamless digital processes, including contracting catering also to potential e-resident employees.



HIRING PEOPLE FROM OUTSIDE ESTONIA



SIMPLIFIED WORK PERMITS

- › For non-EU citizens, obtaining work permits is **simplified and efficient**. The government provides **clear guidelines** for both employers and employees.

- › Contracts must be in Estonian or English and **can be bilingual**. They must be in writing and signed by both parties.
- › **Downloadable work contracts** are available through Work in Estonia and the Labour Inspectorate.



BI-LINGUAL WORK CONTRACTS



FREE LEGAL ADVICE

- › Both employers and employees can always seek free advice from the **Labour Inspectorate** (in Estonian, English, Russian, and Ukrainian) by writing to jurist@ti.ee or calling 640 6000.

- > **No shortage of skilled workers**, qualified people available, easily accessible cooperation with universities.
- > You can **access a pool of potential employees** through platforms like [CVkeskus.ee](https://www.cvkeskus.ee) and [CV.ee](https://www.cv.ee) and via the Estonian Unemployment Insurance Fund's [job portal](#).



**WHERE TO
FIND TALENT?**

Experience the convenience and potential for growth by choosing Estonia as your business destination!



We can confirm that Estonia offers employer-friendly labour laws, hiring, payrolling, and less bureaucracy than most other EU nations based on our eighteen years of presence in the country and hundreds of successful staff hires over the years. We sincerely value the government's assistance and its adaptability in resolving challenging situations.



Damir Tomicic, Co-Founder of Axinom Group



Our Estonian company has employed people inside and outside Estonia for our company, and we have consistently experienced the simplicity and efficiency of the Estonian ecosystem. Minimal paperwork, practical visas, clear employment regulations, and straightforward taxes combine for efficiency and give us confidence that we are doing everything correctly. While not always the lowest cost, the advantages provide us with room to focus on our business—not employment bureaucracy.



Luke Seelenbinder, Co-Founder of Funktional OÜ