

Layoff

The employer may decide to **lay the employee off** if:

- the work volume has decreased;
- the work has been reorganised;
- other cessation of work (subsection 89 (1) of the Employment Contracts Act);
- upon cessation of the activities of employer (liquidation, clause 89 (2) 1) of the ECA);
- upon declaration of bankruptcy of the employer or termination of bankruptcy proceedings, without declaring bankruptcy, by abatement (clause 89 (2) 2) of the Employment Contracts Act).
- Upon the layoff of more than five employees, the employer must determine whether it is a case of collective redundancy, which requires more detailed procedures (sections 101–103 of the ECA)

Before the layoff, the employer must **offer** the employee **other work**.

- The work must be in accordance with the employee's abilities.
- Offering other work may involve training of the employee, provided that the training is not disproportionately expensive.
- An invitation to take part in a competition does not replace the obligation to offer other work.
- The obligation to offer other work does not apply in the event of bankruptcy or abatement of bankruptcy proceedings.
- The obligation to offer other work is also fulfilled if the opportunity to offer other work arises after the submission of the declaration of cancellation, but before the termination of the employment contract.

The employer **identifies** employees with **preferential employment rights**.

- Employee representatives: working environment representative, the member representing the employees on the working environment council, the employee and trade union representative, the employee representative of the community-scale undertaking;
- an employee raising a child under three years of age.
- Layoff of pregnant workers, workers on maternity, paternity, adoptive parent or parental leave is prohibited, except in the event of bankruptcy and the cessation of bankruptcy proceedings.

Upon layoff, the employer shall take into account the principle of **equal treatment**.

- Layoff of an employee may not be based on their gender, nationality (ethnicity), race, colour, religion or other beliefs, age, disability, or sexual orientation.
- Once the principle of equal treatment and privileged employees has been taken into account, the employer's decision on the layoff may be made taking into account the employee's education, experience, skills, character, seniority and other characteristics relevant to the employer.

The employer **submits a reasoned declaration of cancellation** to the employee in a format which can be reproduced in writing.

- Layoff requires advance notice according to the duration of the employment relationship:
 - less than one year – 15 calendar days;
 - 1–5 years – 30 calendar days;
 - 5–10 years – 60 calendar days;
 - more than ten years – 90 calendar days.
- If the employer does not comply with the notice periods, the employee must be compensated in money.

The employer **pays the final invoice** on the last day of the employment relationship:

- earned wages;
- holiday pay;
- redundancy benefit in the amount of one month's average wages (subsection 100 (1) of the ECA), in the case of a fixed-term contract the compensation amount corresponds to the amount that the employee would have been entitled to until the end of the contract (except in the case specified in subsection 100 (3) of the ECA);
- if necessary, compensation for non-compliance with the notice period (subsection 100 (5) of the ECA).
- If the employment relationship lasted for more than five years, the Unemployment Insurance Fund pays an additional redundancy benefit to the employee (subsection 100 (2) of the ECA).



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