

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Koolituskulude hüvitamise kokkulepe
<b>Name of the instrument - English translation</b>	Agreement on compensation for training expenses
<b>Scheme ID</b>	72
<b>Country</b>	 Estonia
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Payback clause
<b>Sub-type of instrument</b>	Payback clauses are possible within set limits
<b>Type of entry</b>	Single instrument

<b>Short description</b>	Employers and employees can agree on a payback clause for training-related costs. Thereby, the employee will work for the employer during an agreed period (no more than 3 years) for the purposes of compensating for the training expenses incurred. Eligible types of training include internal and external courses, continuing vocational training courses, on-the-job training, job rotation, exchanges, internships or study visits, and participation in learning or quality circles as well as self-directed learning. No preferential treatment is applied.
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<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Further instrument
<b>Legal basis</b>	Estonian Employment Contracts Act, §15 and §34
<b>Objective(s) and target(s)</b>	Not available

<b>Year of implementation</b>	2009
<b>Operation/management</b>	The Estonian Employment Contracts Act does not specify any government bodies and agencies involved. The Act stipulates that disputes arising from an employment contract will be resolved under the conditions and pursuant to the procedure provided for in the Employment Contracts Act and the Individual Labour Disputes Resolution Act (i.e. in court).
<b>Eligible group(s)</b>	All employers
<b>Group(s) with preferential treatment</b>	No preferential treatment
<b>Education and training eligible</b>	Internal and external; continuing vocational training courses, on-the-job training, job rotation, exchanges, internships or study visits and participation in learning or quality circles as well as self-directed learning
<b>Source of financing and collection mechanism</b>	Employer funds training, employee provides (partial) repayment of eligible training costs in case of premature departure from the company
<b>Financing formula and allocation mechanisms</b>	According to the Labour Code, employees and employers may agree on financial support for training to be paid by the employer. In return, the employee is expected to work for the employer for an agreed period after training - but maximum 3 years - depending on the length and the cost of the training. The employee is statutorily liable to reimburse the training costs in case of voluntary resignation by the employee or dismissal due to breach of employment obligations. In any event, reimbursement should be proportional to the time worked in the company after training. The share to be reimbursed depends on the time between the training and the termination of the contract; the costs of training can be reimbursed in one or in several instalments, depending on the amount. An agreement on compensation for training expenses concluded with a minor/underage or for compensating expenses related to the performance of the employer's obligation to train prescribed by law is void. The code allows regulation of clauses through collective or contractual agreements. The fact that the legislation does not impose a minimum or maximum cost to be reimbursed suggests that the courts will decide whether or not a payback clause applies.
<b>Eligible costs</b>	Not available
<b>Volumes of funding</b>	Not applicable
<b>Beneficiaries/take up</b>	Not applicable
<b>Organisation responsible for monitoring/evaluation</b>	Ministry of Financial Affairs as it is part of state budgeting (monitoring/evaluation of the tax incentive instrument gets little attention)
<b>Monitoring/evaluation reports available</b>	Not available

<b>Most relevant webpage - in English</b>	Not available
<b>Most relevant webpage - local language</b>	Not available
<b>Recent changes</b>	<p>No recent amendment</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
<b>Sources</b>	<p><a href="https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/517122014002/consol...">https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/517122014002/consol...</a></p> <p>Masso, M., Järve, J, Nurmela, K., Anspal, S., Räs , M. L., Uudeküll, K., Osila, L. (2013). Töölepingu seaduse uuring [The Employment Contracts Act Study]. Tallinn: Poliitikauuringute Keskus Praxis [Centre for Policy Studies Praxis]</p>