



Financing adult learning database

Name of the instrument - Local language	Koolituskulude hüvitamise kokkulepe
Name of the instrument - English translation	Agreement on compensation for training expenses
Scheme ID	72
Country	 Estonia
Reporting year	2015
Type of instrument	Payback clause
Type of entry	Single instrument

Short description	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.
Short description of the related instruments	nap

Level of operation	National
Name of a part of the country	nap
Name of the region (for regional instruments)	nap
Name of the sector (for sectoral instruments)	nap
Relevance	Marginal scheme
Legal basis	Estonian Employment Contracts Act, §15 and §34
Objective(s) and target(s)	To contribute to employers and employees awareness of mutual training responsibility and valuing of lifelong learning principle.
Year of implementation	2009
Operation/management	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 (thus in court).
Eligible group(s)	All employees and employers
Group(s) with preferential treatment	None
Education and training eligible	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.
Source of financing and collection mechanism	Employer, employee
Financing formula and allocation mechanisms	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.
Eligible costs	Fees and other costs related to the training (payments for training courses, labour costs of internal trainers or mentors and travel and subsistence payments; other costs may be defined in the training agreement)
Volumes of funding	na
Beneficiaries/take up	Estimations for 2012 state that 14-19% of employers claim having an agreement on compensation for training expenses with one or more of their employees. This percentage is higher in larger companies. Among employees respective percentages are 9-12%, rates are higher for younger, Estonians (vs other nationalities) and

	those with higher educational attainment.
Monitoring/evaluation reports available	na
Most relevant webpage - in English	https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/517122014002/consol...
Most relevant webpage - local language	https://www.riigiteataja.ee/akt/111072013019?leiaKehtiv
Sources	https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/517122014002/consol...
	Masso, M., Järve, J, Nurmela, K., Anspal, S., Räis , M. L., Uudeküll, K., Osila, L. (2013). Töölepingu seaduse uuring [The Employment Contracts Act Study]. Tallinn: Poliitikauuringute Keskus Praxis [Centre for Policy Studies Praxis]