When advance payments need not be paid

Self-employed persons need not make advance payments of social tax, if:

1. they are receiving a state pension (incl. flexible pension), are persons with partial or no work ability or students within the meaning of subsection 5 (4) of the Health Insurance Act (persons acquiring basic education, general secondary education, formal vocational education and students who are permanent residents of Estonia, except for doctoral candidates receiving the doctoral allowance);
2. they are under the age of 19;
3. **they start or terminate their activities during a quarter**.
   If a self-employed person starts or terminates business during the quarter, they are required to make advance payments for these days when they are registered as a self-employed person.
   If the requirements for exemption from advance payment mentioned in clauses 1 and 2 have been met not throughout the whole quarter, but during certain periods of the quarter, the proportional calculation is applied.
   If a person has tax liability for only some days in the quarter, then:
   - the number of days is determined for which the tax liability arose (all the days not covered with tax exemption are added together);
   - the actual number of days in the said quarter is determined;
   - the payment is calculated on a day-basis: the quarterly payment is divided by the number of the days in the quarter and multiplied by the number of the days of the tax liability.

   Example
   The tax liability arose for 50 days and there are 91 days in the said quarter — the tax liability is calculated as follows: 877.14 euros ÷ 91 × 50 = 487.50 euros.
4. **social tax for the person is paid by the employer or the state or the local government**.
   If social tax for a self-employed person is paid by the employer or in accordance with § 6 of the Social Tax Act by the state, city or rural municipality, and if in 2026 the amount is not less than 877.14 euros per quarter, the self-employed person need not make advance payments of social tax.
   If the employer, state, city or rural municipality pays social tax for the self-employed person less than 877.14 euros, the self-employed person himself/herself must pay the missing part. The social tax paid is calculated in total from the beginning of the calendar year. If the amount of social tax paid by the employer or state exceeds the quarterly advance payment obligation of the said quarter, the social tax by the employer/state which was not used in this quarter will be carried over to the following quarters for reduction of payment obligation, **but not retrospectively for reduction of previous quarterly tax obligations**.

   Example
   A self-employed person's tax obligation for the second quarter is 200 euros. The amounts of social tax paid by the employer/state for March, April and May in 2025 are being verified. Let us assume that the total amount of social tax paid is 350 euros, then the self-employed person's final advance payment obligation for the second quarter is 0 and the unused balance is 350 – 200 =

150 euros. This unused balance may be used for covering the following quarters.
The self-employed person’s tax obligation for the third quarter is 300 euros. The amounts of social tax paid by the employer/state for June, July and August in 2026 are being verified. Let us assume that the amount of social tax paid is 50 euros, then the self-employed person’s final advance payment obligation is 300 – 150 (previous quarterly balance) – 50 (paid in the third quarter) = 100 euros.

When calculating the amount of advance payment of social tax, you can get help in the service bureaus of the Estonian Tax and Customs Board or in the e-services environment e-MTA.

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