

## Comments

1. A taxpayer shall indicate on the certificate the taxable payments made to a resident natural person, income tax withheld on these payments, contributions to a mandatory funded pension and unemployment insurance premium payments subject to social tax, social tax calculated and contributions to a mandatory funded pension calculated from parental benefits. The payments shall be declared also in cases when the tax from these payments has not been calculated or withheld.
2. Certificate shall be issued to the person who received the payments described in the Income Tax Act and in § 2 (1) of the Social Tax Act and from whom social tax is calculated in accordance with § 2(1) 1) to 4), 6), 8) and 9); (2) and § 6 of the Social Tax Act.
3. Certificate shall be issued at the request of a person but not later than by 1<sup>st</sup> February of the year following the calendar year, or in case the person leaves employment then the certificate shall be given to him/her together with the final settlement.
4. Certificate for payments, withholdings and calculations made from 1 January 2011 shall be completed in euro-cent accuracy.
5. The interval indicated on certificate is a period of time when the payments were made.
6. In column 1 and 3 of **part I** the payments made to a resident natural person by the types of income shall be shown according to the following codes:
  - 01** - Emoluments subject to taxation with social tax, which are paid to an employee or public servant (§ 13 (1) of the Income Tax Act); scholarships, grants and pensions, which are paid with reference to employment or service relationship (§ 19 (2) and (3) 3) of the Income Tax Act); remunerations paid for the performance of work pursuant to an Act or other legislation (§ 2 (1) 9) of the Social Tax Act); payment, made to a person after termination of employment or service relationship.
  - 02** - income from rent or hire and income from royalties on the basis of § 16 of the Income Tax Act, except when the recipient of payment is a sole proprietor entered in the commercial register or in the register of the state, which is a Contracting Party to the EEA Agreement (*hereinafter the Contracting State*) and the payment is his or her business income;
  - 03** - interests (§ 17 of the Income Tax Act);
  - 04** - [Invalid]
  - 05** - pension paid by Estonian state pursuant to law and payments made from a mandatory funded pension fund pursuant to the Funded Pensions Act (§ 19 (2) of the Income Tax Act) before deducted of the increased basic exemption;
  - 06** - scholarships, grants, cultural, sports and scientific awards, gambling winnings (§ 19 (2) of the Income Tax Act);
  - 07** - benefits for temporary incapacity for work (§ 20 (1) of the Income Tax Act) and sickness benefits paid by employers (§ 13 (1) of the Income Tax Act);

**08** - amounts paid to a policyholder or beneficiary under a life insurance contract with an investment risk (§ 20 (3) of the Income Tax Act);

**09** - tax rate of 21 % applicable to the payments made on the basis of an insurance contract for a supplementary funded pension or payments from a voluntary pension fund (§ 21 (1) of the Income Tax Act);

**10** - tax rate of 10% applicable to the payments made on the basis of an insurance contract for a supplementary funded pension or payments from a voluntary pension fund (§ 21 (2) and (3) of the Income Tax Act);

**11** - payments made to a member of a management or controlling body of a legal person (§ 13 (2) of the Income Tax Act), except when the recipient of payment is a sole proprietor entered in the commercial register or the Contracting State register and the payment is his or her business income; scholarships, benefits and pensions paid in connection with membership of a management or controlling body of a legal person (§19 (2) and (3) 3) of the Income Tax Act); payments which are made to a former member of a management or a controlling body of a legal person;

**12** - compensation paid in connection with accidents at work or occupational diseases (§ 13 (1) of the Income Tax Act) before deduction of the increased basic exemption;

**13** - compensations paid to an employee or public servant upon cancellation of an employment contract or upon release from service;

**14** - other payments from which the payer is obliged to withhold income tax according to § 41 of the Income Tax Act;

**15** - remuneration or service fees paid on the basis of a contract for services, authorisation agreement or any other contract under the law of obligations (§ 13 (1<sup>1</sup>) of the Income Tax Act), except when the recipient of payment is a sole proprietor entered in the commercial register or the Contracting State register or a notary, sworn translator or bailiff registered in the Tax and Customs Board and the payment is his or her business income;

**16** - unemployment insurance benefits paid under the Unemployment Insurance Act;

**17** - unemployment insurance benefits upon lay-offs payable under the Unemployment Insurance Act;

**18** - compensations upon insolvency of an employer payable under the Unemployment Insurance Act;

**19** - parental benefits payable on the basis of the Parental Benefit Act;

**20** - daily allowances for business travel and accommodation costs of a creative person paid by an artistic association to the person, remuneration for business travel and other expenses related to sports assignments paid to the person as specified in § 7 of the Sport Act, which exceeds the marginal fixed by the § 13 (3) 1) of the Income Tax Act and also daily allowances received from a third party exceeding the marginal fixed by the § 13 (3) 1) of the Income Tax Act;

**21** - allowance for spouse payable on the basis of § 67 of the Foreign Service Act.

7. [Invalid]

8. [Invalid]

9. On line 3 contributions to mandatory funded pension withheld shall be shown (§11 (1) 1) and 2) of the Funded Pensions Act).

10. On line 4 unemployment insurance premiums withheld from the payments shall be shown (§ 42 (1) 1) of the Unemployment Insurance Act).

11. On line 5 the total payments subject to social tax on the basis of § 2 (1) 1), 3), 4), 6), 8) and 9) of the Social Tax Act shall be shown.

12. On line 6 social tax calculated according to § 2 (1) 1), 3), 4), 6), 8), 9), also § 2 (2) to (3) and § 6 of the Social Tax Act shall be shown.

13. On line 7 supplementary contributions to mandatory funded pension calculated from the parental benefits, which are paid from the Social Insurance Board on the basis of § 11 (1) 3) of the Funded Pensions Act shall be shown.

14. A taxable person or his/her representative shall sign the certificate. At the request of the Tax and Customs Board the representative shall submit a document certifying the right of representation.