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EUROPEAN SOCIAL CHARTER

Ad hoc report on the cost-of-living crisis

submitted by

THE GOVERNMENT OF ESTONIA

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CYCLE 2024

European Social Charter Ad Hoc Report on the Cost-of-Living Crisis Of Estonia

- 1) Please provide information as to whether and how the statutory minimum wage is regularly adjusted/indexed to the cost of living. Please indicate when this last happened, specifically whether it has been adjusted /indexed since the end of 2021.**

Minimum wage is an agreement between social partners - Estonian Trade Union Confederation and The Estonian Employers Confederation - and approved by the Government. The amount of the minimum wage for the next year will be agreed upon every autumn. There is no automatic indexation. The minimum wage in 2023 is 725 euros per month. The annual minimum wage is computed by multiplying the minimum monthly wage (as of January 1, 2023) by 12, i.e. $725 * 12 = 8\,700$ euros.

On October 10, 2023, the trade unions and employers agreed on the minimum wage at the level of 820 euros per month for 2024. The increase compared to previous year is 95 euros (13%), being the highest in recent decades. The minimum wage will form 42% of the mean wage in 2024.

- 2) Please provide information on any supplementary measures taken to preserve the purchasing power of the minimum wage since the end of 2021.**

In May 2023, The Estonian Trade Union Confederation, The Estonian Employers' Confederation and the Minister of Economic Affairs and Communication concluded a goodwill agreement agreeing on the growth rate of the minimum wage until 2027, when it will be 50% of the average wage. Under this agreement, the minimum wage in Estonia will rise from its current level of 39% (in 2023), to 42.5% of the mean wage in 2024, 45 % in 2025, 47.5% in 2026 and 50% in 2027.

- 3) For States Parties with no statutory minimum wage, please describe any measures taken to preserve the purchasing power of the lowest wages since the end of 2021.**

Estonia has a statutory minimum wage.

- 4) Please provide information as to whether the cost-of-living crisis has led to the extension of in-work benefits. (Supplements to support workers on low incomes such as the prime d'activité in France or the working family payment or back to work family dividend in Ireland)**

Estonia does not have in-work benefits as such. Estonia has subsistence benefit for persons with low income or no income. The objective of the subsistence benefit is to alleviate material deprivation of persons and families in need of assistance as a temporary measure supporting the ability of persons to cope independently by providing minimum funds to satisfy the primary needs.

The amount of the benefit is calculated based on the amount of income or the lack thereof. A person living alone or a family whose monthly net income after the deduction of housing expenses calculated under the conditions provided for in subsections 133

(5) and (6) of the [Social Welfare Act](#), is below the subsistence level, has the right to receive a subsistence benefit. Amendments to the subsistence benefit are described under question 5 (e).

5) Please provide information on changes to social security and social assistance systems since the end of 2021. This should include information on benefits and assistance levels and the allocation of benefits.

a) The Care Reform

From July 1, 2023, The Care Reform in Estonia entered into force. Before the reform the 24-hour care service in care homes was mainly financed by service users and their family members (in 2022 almost 80% of the total costs was covered by people and 20% by municipalities). Because of that municipalities were more interested in directing people to institutions to save their own funds and it contributed to the significant increase of families' financial burden.

The Care Reform has three main goals:

1. to reduce out of pocket payments on 24-hour care service in care homes by increasing public funding.
2. to improve the quality of 24-hour care in care homes (public funding makes it possible to increase the number of care workers and improve their working conditions).
3. to nudge municipalities that are the main designers of persons care pathway – to improve home-based care and postpone the need for institutional care.

According to the new system, local governments must cover the care staff labour and training costs (40-60%) and the care recipients cover the rest of the costs (accommodation, meals, transportation, medicine, and other personal costs).

Municipalities can establish a limit (fixed sum) for care costs. It must ensure that a person can receive service at this price level in at least some care home in Estonia, but this limit does not have to cover care costs in every Estonian care home.

People with lower incomes (in 2023 income less than 636 euros) are entitled to additional compensation from the municipality. When a person's income is lower than the average old-age pension of the second quarter of the previous year (below 635,89 euros in 2023), the municipality is obliged to cover some of the costs of the service in addition to care costs (up to the difference between a person's income and the average old-age pension).

Every person has the right to choose the service provider according to their financial possibilities as municipality covers only part of the costs. In more expensive care homes, people must use their savings or the help of families in addition to their income.

To be able to finance 24-hour care according to the new rules and improve access to long-term care, **the state allocates funds to municipalities** - 39,2 million euros in

2023 and from 2024 59,4 million euros. When distributing funds, the number of elderly people living in each municipality is considered.

b) Dental care benefit

From 2024, the dental care benefit increases up to 60 euros per year for all adults and 115 euros per year for pregnant women and mothers of children under one year of age, for old-age pensioners, for persons receiving pension for incapacity for work, for persons with partial or no work ability, for persons over 63 years of age, for persons with increased need for dental care. In 2022, Estonia expanded the eligibility criteria for the increased dental care benefit to those who receive a subsistence allowance or are registered as unemployed.

c) Support to persons with disabilities

Social Insurance Board started transmitting data to local governments about children (01.01.2023) and adults (01.02.2023) with disability. The aim of the change is to offer help by local governments proactively to people with disabilities. However, help is provided if the person wants it, and the person or his legal representative has the right to refuse help and further contacts from the local government.

d) Changes in the pension system

From 2021 onwards, the fourth part of the pension formula, which is called the compound part, will be collected. The compound part is a symbiosis of the second part and the third part (length of service and insurance components). As a result of the change in the pension formula, the first pillar pensions will not become as unequal as they would have become only with a three-part pension formula.

Second improvement to Estonian pension system is the flexible retirement concept. From 2021 onwards, people can choose the most suitable time for retirement, suspend their pension if they wish, or take half the pension. The concept of a flexible pension is based on actuarial neutrality: the size of the entire pension asset is the same regardless of the time of retirement, the suspension or partial withdrawal of the pension.

From January 1, 2023, a separate tax-free income applies to people who have reached the old-age pension age, which guarantees a person an income-tax-free subsistence minimum to the extent of the average old-age pension (704 euros), regardless of the amount of the person's income. This means that the average pension is exempt from income tax.

e) amendments to subsistence benefit in 2022

1. Increase in the subsistence level, starting from June 1, 2022
 - for a person living alone or for the first family member of the family 200 euros per month (previously 150 euros)
 - for each minor child (under 18 years of age) 240 euros per month (previously 180 euros)
 - per the second and each following family member 160 euros per month (previously 120 euros).
2. Starting from July 1, 2022, the repayment of the loan (incl. the loan interest and the mandatory home insurance premium) is taken into account as housing

expense upon calculation of a subsistence benefit. Home loan repayment is considered if:

1. the applicant lives in a dwelling acquired by a loan, and this is reflected in the population register.
 2. the applicant or a member of his/her family has taken a mortgage.
 3. in case of a mortgage, the opportunity to take a payment grace period has been used, or the applicant (or a family member) provides an explanation from the bank why it is not possible to use the payment grace period.
 4. the applicant does not have loan insurance for the prevention of solvency problems, or this insurance does not fully cover the repayment of loan obligations.
 5. loan repayments are considered for a period of up to six months during a calendar year.
3. obligation to provide support services (incl. debt counselling services) to the recipient of subsistence benefit (starting from May 2022).

f) Changes in the unemployment insurance benefit

From June 30, 2023, the unemployment insurance period will depend not only on your unemployment insurance programme seniority but also on the labour market situation relative to previous years. To assess the labour market situation, the Unemployment Insurance Fund records the number of registered unemployed each month and compares it to the average number of registered unemployed both in the last 10 and the last 3 years.

- If the **labour market situation is very good** and finding a job is easier, the base period is retained, and the benefit will not be extended (*benefit base period: seniority for unemployment insurance is less than five years – 180 calendar days; 5 to 10 years – 210 calendar days; 10 or more years - 300 calendar days*).
- If the **labour market situation is average** (the number of registered unemployed is at least 80% of the average of the last 10 years or higher than the average of the last 3 years), the benefit will be extended (*extended benefit period: seniority for unemployment insurance is 5 to 10 years – 270 calendar days (i.e. 210+60 days); 10 or more years - 360 calendar days (i.e. 300+60 days)*), except when the seniority for unemployment insurance is less than five years, then the period will remain the same – 180 calendar days.
- If the **labour market situation is poor** (the number of registered unemployed is at least 20% more than the average of the last 3 years), the benefit will be extended even further (*extended benefit period: seniority for unemployment insurance is less than five year – 240 calendar days (i.e. 180+60 days); 5 to 10 years – 330 calendar days (i.e. 210+120 days); 10 or more years - 420 calendar days (i.e. 300+120 days)*).

The decision to extend the unemployment insurance benefit period is made automatically.

6) Please provide information as to whether social security benefits and assistance are indexed to the cost of living, as well as information in particular on how income-replacing benefits such as pensions are indexed. Please indicate when benefits and assistance were last adjusted/indexed.

a) Benefits for people with disabilities

The aim of the benefits for people with disabilities is to partially compensate for the additional expenses caused by the disability. Benefits are not indexed to the cost of living. Benefits are based on the rate of social benefits for persons with disability that is established by the Parliament of Estonia in the state budget for each budgetary year. The rate of social benefits for persons with disability has been 25,57 euros since the year 2000. However, the last increase was in the beginning of 2020 when the benefits for a child with disability increased considerably. It is also important to note that the state is providing technical aids, social rehabilitation services and special welfare services.

b) Pension

On April 1, 2021, an additional increase in the base amount of the pension was made as a solidarity component increasing the pension of all old-age pensioners. The increase in the base amount of the pension affected almost 320,000 people. It is estimated that this will reduce the relative poverty rate of pensioners by an estimated 1.2 percentage points.

In April 2021 the national pension was also increased. The national pension provides income in old-age for people who have not fulfilled the length of service requirement for receiving an old-age pension and who have lived in Estonia for at least five years directly before applying for the pension.

From January 1, 2023, **an additional increase** in the average pension and an income tax exemption was made. These changes will increase the retirement pension per year for about 970 euros. From the beginning of 2023, basic component of the pension and national pension were increased by 20 euros. An increase in the basic part of the pension helped to improve the livelihoods of more than 321,000 pensioners and an increase in the national pension rate helped the subsistence of 3,200 national pensioners.

From January 1, 2023, a separate **tax-free income** applies to people who have reached the old-age pension age, which guarantees a person an income-tax-free subsistence minimum to the extent of the average old-age pension (704 euros), regardless of the amount of the person's income. This means that the average pension is exempt from income tax.

Annual indexations have constantly raised Estonia's old-age pension. From April 1, 2023, the pension increase was highest in the last decade, 13,9%. Indexation changed the average old-age pension to 700 euros. National pension raised from 295,34 euros to 336,39 euros.

The benefit for a pensioner living alone increased in 2022 from 115 euros to 200 euros. It was paid in October to those pensioners who live alone according to the population register and whose monthly available pension is less than 669 euros. The payment of the benefit for a pensioner living alone improved the income of almost 90,000 pensioners.

c) Subsistence benefit

The Parliament establishes the subsistence level for a person living alone or to the first member of a family for each budgetary year in the state budget. Subsistence level is established based on minimum expenses made on consumption of food products, clothing, footwear and other goods and services which satisfy the primary needs. A new subsistence level will not be less than the subsistence level in force.

Increase in the subsistence level, starting from June 1, 2022:

- for a person living alone or for the first family member of the family 200 euros per month (previously 150 euros).
- for each minor child (under 18 years of age) 240 euros per month (previously 180 euros).
- per the second and each following family member 160 euros per month (previously 120 euros).

d) unemployment insurance benefit and unemployment allowance

The minimum amount of unemployment insurance benefit and unemployment allowance are tied to the previous year's minimum wage. Work ability allowance is indexed.

Unemployment insurance benefits - The insured person is always guaranteed the minimum amount of benefit, i.e. 50 per cent of the minimum wages per calendar day of the previous calendar year. This is also the case when the amount of the benefit is lower based on the remuneration earned by the insured person. In 2022, the minimum monthly wage was 654 euros. To find the minimum amount per calendar day, it is divided by 30, resulting in 21,80 euros. In the case that benefit per calendar day, calculated for insured person, turns out to be lower than 10,90 euros, insured person will receive the benefit in the amount of 10,90 euros per calendar day in 2023.

Unemployment allowance - The daily rate which is the basis for the calculation of unemployment allowance shall be established by the state budget for a budgetary year, however the 31-fold daily rate shall not be less than 50 per cent of the minimum wages per calendar day of the previous calendar year. The daily rate of unemployment allowance in 2023 is 10,55 euros, and the 31-times daily rate is 327,05 euros.

Work ability allowance – The unemployment insurance fund shall index the amount of daily rate on April 1 each year by the index of state pensions. From April 1, 2023, the daily rate of the work ability allowance is 18,60 euros, of which the allowance per calendar day: for partial work ability is 57% of the daily rate (10,602 euros per day, averaging 318,06 euros per month); for no work ability is 100% of the daily rate (18,60 euros per day, averaging 558 euros per month).

7) Please provide information as to whether any special measures have been adopted since late 2021 to ensure persons can meet their energy and food costs, such as price subsidies for energy, fuel, and basic food items.

a) From October 2021 to March 2022, the state compensated energy price increase for families and individuals:

- 1) Compensation for up to 80% increase in electricity, gas and central heating bills for families whose net income in 2021 was less than 1,126 euros per month for the first household member. For each additional member of the household who is at least 14 years old, the same amount is 0.5 (563 euros) and children under 14 are 0.3 (338 euros) for bills from September 2021 to March 2022.
- 2) Reimbursement of 50% of the electricity network fee to all household consumers for bills from October 2021 to March 2022.
- 3) Automatic reimbursement of district heating for all domestic consumers for 65% of the part of the district heating bill that exceeds the unit price level of October 2021, effective from February to March 2022.
- 4) 100% reimbursement of gas network charges to all household and commercial customers for bills from December 2021 to March 2022.
- 5) Reimbursement of the part of the electricity and gas bill exceeding the price ceiling. A price limit was established for electricity and gas bills, the remaining part of which is automatically compensated by the state to the private consumer:
 - price ceiling for household consumers of 12 cents per kWh (+ sales tax) for electricity consumption up to 650 kw/h per month. This means that if the price of electricity, either on the stock exchange or in a fixed-price package, exceeds 12 cents/kWh, the state paid for this part of the electricity bill. The price ceiling is set for the cost of electricity as a commodity and VAT is added to it, 12 s/kWh does not include the cost of network service, excise duty or renewable energy fee.
 - price ceiling for domestic consumers of 6.5 cents per kWh or 0.6792 €/m3 (+VAT) for gas consumption up to 2.75 MWh per month. The part exceeding the price floor was compensated.

More information on measures listed above is available at the [Ministry of Finance website](#).

6) One-time price reduction subsidy of 50 euros to old-age pensioners, people with a lack of working capacity and child benefit recipients. The subsidy was paid in November 2022.

b) From October 2022 to March 2023, the state introduced temporary subsidies to mitigate the effects of rising energy prices on household consumers.

Subsidies apply to bills issued to consumers for energy consumed during the above-mentioned period. Subsidies are automatic, i.e. the seller already reduces the unit price of electricity, gas or district heating from the energy bills received by household consumers.

- Electricity price compensation for all domestic consumers from the monthly average price of electricity without VAT, which exceeds 8 cents per kilowatt-hour (kWh), up to 5 cents/kWh.

- Gas price compensation for all domestic consumers of gas with 80 percent of the part of the average monthly gas price that exceeds 80 euros/MWh without VAT, or 0.8264 euros per cubic meter. The maximum consumption of up to 2.6 MWh (or 251.7 cubic meters) was compensated.
- Reimbursement of the district heating price. Similarly, to gas, district heating home consumers are compensated for heat consumption exceeding the price of 80 euros/MWh (without sales tax) to the extent of 80 percent.

More information on measures listed above is available at the [Ministry of Economics and Communications](#) website.

c) Compensation of increase of energy prices for care homes:

1) To control the increase of general care service fees, avoid difficulties in paying for the service and equal treatment of domestic consumers and care home clients, the state supported partial coverage of costs from the increase in energy prices for general care homes. The amount of the allowance per person living in a nursing home is 60 euros per month, which is approximately half of the energy cost per person per month. Support was paid to general homes for the period from October 2022 to March 2023. The measure applies to 216 general care homes with approximately 8800 service users.

2) Similar compensation applied for providers of special care services with accommodation (community living service and 24-hour special care service) who were also supported to cover the additional costs associated with high energy costs in the period from January 1 to March 31, 2023. Compensation was paid to 89 service providers for approximately 3000 people who need 24-hour special care service or community living service.

d) Pension subsidy

In November 2022, the state paid a one-time price reduction subsidy of 50 euros to pensioners of old-age pensionable age (whose age is at least 64 years and 3 months), people with a lack of working capacity and child benefit recipients.

8) Please provide up-to-date information on at-risk-of-poverty rates for the population as a whole, as well as for children, families identified as being at risk of poverty, persons with disabilities and older persons. Please show the trend over the last 5 years, as well as forecasts for upcoming years.

Table 1. At-risk-of-poverty rate by age group, %

survey year	2019	2020	2021	2022	2023
Total	21,7	20,7	20,6	22,8	22,5
0–17	17,2	15,2	15,5	13,6	16
18–64	16,1	15,8	15,6	16	16,6
65 and older	43,7	41,4	40,6	52,3	46,8
Change in at-risk-of-poverty threshold compared with previous year, %	9%	7%	3%	17%	2%

Source: Statistics Estonia, Estonian Social Survey 2019–2023 (income years 2018–2022).

Table 2. At-risk-of-poverty rate by household type*, %

survey year	2019	2020	2021	2022	2023
Household without children	27,9	27,1	26,9	32,5	30,2
One-person household	51,4	51,2	51,9	53,1	51,9
Single man	45,9	47,0	44,4	46,8	46,2
Single woman	55,1	54,1	57,1	57,8	55,9
Single person aged under 65	30,7	32,8	32,9	31,8	31,4
Single person aged 65 or over	78,7	76,8	78,1	81,7	79,1
Couple aged under 65 without children	12,1	9,2	8,3	9,6	10,8
Couple without children, at least one partner is aged 65 or over	19,1	16,9	13,7	31,6	21,9
Other household without children	8,0	8,3	6,8	8,7	9,2
Household with children	15,2	14,0	14,2	13,1	14,7
Adult and child(ren)	35,1	27,3	36,6	33,1	34,8
Couple with one child	11,6	9,0	9,8	10,3	9,7
Couple with two children	15,1	12,2	13,2	9,3	10,6
Couple with three or more children	15,0	16,8	14,1	14,0	18,6
Couple with minor and adult children or other household with children	10,3	14,4	8,9	11,8	15,5

* A dependent child is a household member aged 0–17 years (as of January 1 of the reference year), as well as a household member aged 18–24 years who is economically inactive and living with at least one parent.

Source: Statistics Estonia, Estonian Social Survey 2019–2023 (income years 2018–2022)

Table 3. At-risk-of-poverty rate of persons with disabilities*, %

survey year	2019	2020	2021	2022	2023
Total	43,5	40,7	42,3	51,7	45,4
0–17	20,7	18,7	17,7	.	.
18–64	35,6	33,7	33,8	38,9	35,2
65+	54,7	50,5	51,9	66,2	58,0

* Officially determined degree of disability by Social Insurance Board.

Source: Statistics Estonia, Estonian Social Survey 2019–2023 (income years 2018–2022).

Based on the microsimulation model calculations and considering the economic forecast and changes in benefits and allowances, the overall at-risk-of-poverty rate should be lower in 2024 (survey year) than the year before and especially at-risk-of-poverty rate for persons aged 65+ should be lower because of the additional pension increase. It should be noted that in 2022 (survey year), the at-risk-of-poverty threshold increased rapidly because working-aged persons used a possibility and withdrew the money collected in the II pension pillar.

9) Please provide information on what measures are being taken to ensure a coordinated approach to combat poverty as required by Article 30 of the Charter, and to diminish reliance on last-resort relief, such as food banks and soup kitchens.

On February 23, 2023, the Government of Estonia approved the Welfare Development Plan 2023–2030. The Welfare Development Plan 2023–2030 is the successor to the previous development plan of the same name, which guides labour and social policy objectives for the next eight years and covers the performance area ‘Well-being’, which is one of the 17 performance areas of the State Budget Strategy. We have defined well-being through the policy areas under the remit of the Ministry of Social Affairs – child and family well-being, gender equality and equal treatment, employment, a long and high-quality working life, social care corresponding to the need for assistance, reduction of social inequality and poverty, and supporting the elderly. While people’s well-being is also influenced by a person’s state of health, the objectives in the area of health are addressed in depth in the National Health Plan 2020–2030, which addresses the promotion of health risks, healthy lifestyles, environmental health and the organisation of the health system.

The general goal of the plan is: Estonia is a country where people are cared for, inequality and poverty is reducing, and a long and high-quality working life is supported for all.

- Sub-goal 1: children and families. Estonia is a good place to raise a family and children, and children in Estonia are happy growing up in a caring, inclusive, safe and nurturing environment.
- Sub-goal 2: labour market and working life. Matching labour supply and demand ensures a high level of employment and high-quality working conditions support long-term labour market participation.
- Sub-goal 3: older people. Older people are socially included in the society, have equal opportunities and are economically well-off.
- Sub-goal 4: social care. Estonia's social care system supports people's well-being and social security.
- Sub-goal 5: gender equality and equal treatment in Estonia, women and men have equal rights, duties, opportunities and responsibilities in all areas of social life, and equal opportunities for self-fulfilment and participation in society are guaranteed for minority groups.

<i>Indicators of the general goal: Indicator</i>	<i>Reference level</i>	<i>Target level 2030</i>
Cohort fertility rate	1.79 (2022)	1.86
Index of caring and cooperation	61% (2021)	>61%
Absolute poverty rate	2.2% (2020)	≤2.2%
Relative poverty and social exclusion rates	22.2% (2021)	21%
Gender Equality Index (EIGE)	61.6 (2021)	67.5
Employment rate among 20–64-year-olds	79.3% (2021)	81.3%

The implementation and delivery of the development plan will be coordinated by the Ministry of Social Affairs through programmes covering at least one period of the national budget strategy. The programmes are approved each year by a decree of the

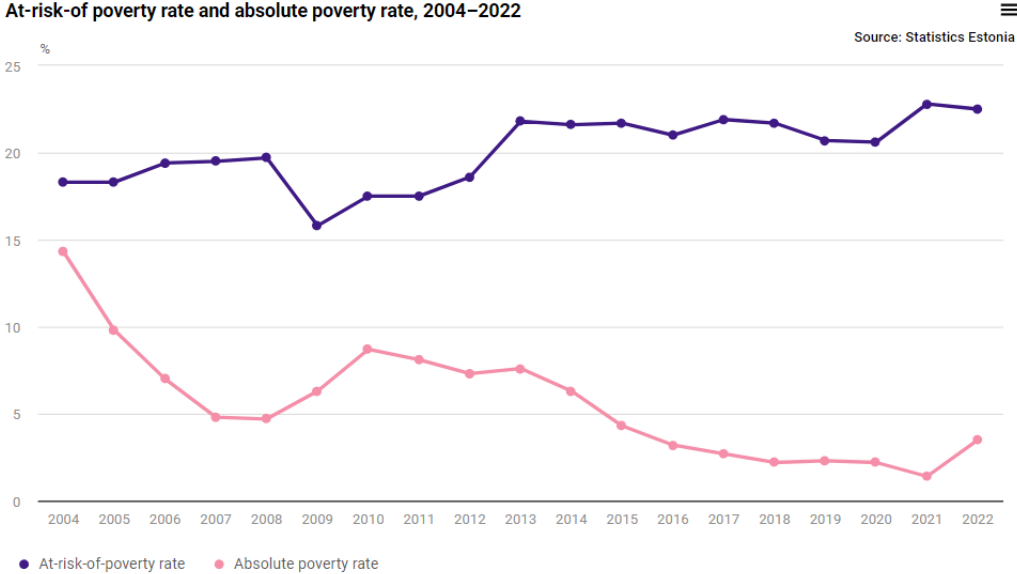
ministers responsible for the field, after the Parliament of Estonia has adopted the state budget. According to the State Budget Act, a programme is a development document that defines the measures, indicators, activities and financing plan aimed at achieving a sub-goal of a result area. For the implementation of the Welfare Development Plan 2023–2030, a steering committee is set up by a ministerial decree, whose main tasks are:

- make recommendations to achieve the goals of the Welfare Development Plan and monitor the implementation thereof.
- make recommendations to improve the performance of programmes and monitor the implementation thereof.
- propose joint actions between different sectors, levels, and organisations.

The implementation of the development plan will be reported annually as part of the national budget performance reporting process, involving both the steering committee and the expert panel. A mid-term evaluation will be carried out at the latest three years before the end of the period of implementation of the development plan to give an overview of the progress, challenges and make recommendations for new developments in the results area. The results of the mid-term evaluation will also serve as a basis for the design or refocusing of the follow-up strategy/strategies.

In addition to the Welfare Development plan, in the fall of 2023, a separate position was established within the Ministry of Social Affairs with the **aim of developing a comprehensive cross-government and agency-wide concept and action plan** on how to further reduce poverty and inequality in Estonia more effectively.

Together with the main data competence centre Statistics Estonia, we regularly gather statistics on different data regarding well-being. and necessary adjustments are made according to the outcomes. According to Statistics Estonia, 22.5% of Estonia’s population lived at risk of poverty and 3.5% in absolute poverty in 2022. Compared with 2021, the share of people living at risk of poverty decreased by 0.3 percentage points and the share of people living in absolute poverty increased by 2.1 percentage points. The absolute poverty rate before social transfers including pensions would be 23,7%, therefore our national social transfers have significantly decreased the absolute poverty rate.



The main household types that are at the risk of poverty according to the statistics of 2022, are single persons aged 65 or over (78,1%), one person households (51,9%) and adults and children (34,5%).

To combat with the situation pensions and the daily rates of work capacity allowance increased from April 1, 2023, by an average of 13.9% and the average pension rose to 700 euros, which is the biggest increase in the last 15 years.

The welfare reform, which entered into force on July 1, 2023, has certainly been the most anticipated change/reform in the social field in recent years. To reduce people's own participation in paying for a place in a nursing home, we allocated nearly 40 million euros to local governments in 2023. Until now, the place in the nursing home, which was mostly financed by the person in need of care and his family, became more financially accessible after the implementation of the reform.

We have also increased family allowances. Single parent's child allowance in 2022 was 19,18 euros, from 2024 it will be 80 euros, allowance for a family with many children (3-6 children) in 2022 was 300 euros, from 2024 it will be 450 euros and with 7 or more children it rose 250 euros – from 400 to 650 euros.

10) Please provide information on steps taken to consult with, and ensure the participation of, the persons most affected by the cost of living crisis and/or organisations representing their interests in the process of designing of measures in response to the crisis.

The process of compiling the new Welfare Development Plan for 2020-2030 started in 2021. Other ministries, partners, experts and interest groups were included in the compiling process and several discussions were held. In addition together with the main data competence centre Statistics Estonia, we regularly gather statistics on different data regarding well-being. and necessary adjustments are made according to the outcomes. Additionally, the minimum wage in Estonia is agreed between social partners - Estonian Trade Union Confederation and The Estonian Employers Confederation - and approved by the Government. Also, in 2023 a separate position was established within the Ministry of Social Affairs with the aim of developing a comprehensive cross-government and agency-wide concept and action plan on how to further reduce poverty and inequality in Estonia more effectively.