

## How to fill in Annex 1 of the form TSD

<b>3</b>	Computation of the exemptions
<b>3<sup>1</sup></b>	Amount of basic exemption deducted before withholding of income tax
<b>3<sup>2</sup></b>	Amount of maintenance support paid or amount of claim for maintenance allowance paid deducted before withholding of income tax
<b>4</b>	Social tax calculated
<b>5</b>	Payments subject to social tax
<b>6</b>	Withheld income tax
<b>7</b>	Amount of payments by the code 01
<b>7.1.1, 7.2.1, 7.3.1</b>	Amount of payment by the types of payments
<b>7.1, 7.2, 7.3</b>	Codes of payments
<b>8</b>	Unemployment insurance premium withheld; column 9 x 2,8% in case of a person who has reached the retirement age or whom the early-retirement pension has been granted, 0 shall be indicated in this column
<b>9</b>	Payments subject to unemployment insurance premium
<b>10</b>	Mandatory funded pension withheld

### Comments

1. In annex 1 of the form TSD the data of personified income tax and social tax, unemployment insurance premium and contributions to mandatory funded pension made to a resident natural person during the taxable period shall be shown. One line is completed for each person.
2. Annex 1 of the form TSD shall be submitted together with the form TSD for the months when the payments were made or for the months of calculation of social tax amount according to § 2 (2) and (3) of the Social Tax Act.
3. Column 3. In column 3 the taxpayer shall insert letter “X”, if he or she calculates the basic exemption from taxable income.
4. In columns 3<sup>1</sup> and 3<sup>2</sup> the amounts of deductions when withholding income tax shall be shown.
5. Amount of increased basic exemption deducted from disbursements, including a part of the basic exemption not used in the previous month, which is forwarded to this month (§ 42 (1) and (2) of the Income Tax Act), also increased basic exemption in the event of pension (§ 42 (1<sup>1</sup>) of the Income Tax Act) and for compensations for accidents at work or occupational disease (§ 42 (1<sup>2</sup>) of the Income Tax Act) shall be shown in column 3<sup>1</sup>.
6. In column 3<sup>2</sup> the amount of maintenance support, which has been withheld from a payment before withholding of the income tax shall be shown (§ 42 (4) of the Income Tax Act).
7. In column 4 the amount of social tax calculated pursuant to §2 (1) 1) to 4), 6), 8) and 9), (2) and (3) of the Social Tax Act shall be shown.
8. In column 5 the payments subject to social tax made within the period of taxation pursuant to § 2 (1) 1) to 4), 6), 8) and 9) of the Social Tax Act shall be shown.

9. In column 6 the total amount of the withheld income tax, which includes amounts shown in columns 7, 7.1.1, 7.2.1 and 7.3.1 shall be shown.

10. In columns 7, 7.1.1, 7.2.1 and 7.3.1 the payments made to a resident natural person within the period of taxation, wherefrom the payer is obliged to withhold the income tax pursuant to § 41 of the Income Tax Act shall be shown divided by the types of payment. Herein the amounts of payments before deductions shall be shown. The payments subject to income tax shall be declared also in case income tax has not been withheld due to basic exemption or other deductions.

11. In column 7 all the emoluments paid to an employee or a public servant under § 13 (1) of the Income Tax Act; scholarships, benefits and pensions which are paid in connection with business or an employment or service relationship as specified in § 19 (2), (3) 3) of the Income Tax Act; or remuneration which is paid pursuant to an Act or other legislation for the performance of work (§ 2 (1) 9) of the Social Tax Act), as well as other income which is paid after cancellation of the employment contract or after release from service shall be shown. The code of the abovementioned disbursements is 01. Compensations upon cancellation of the employment contract according to Republic of Estonia Employment Contracts Act or upon release from service according to Public Service Act marked with code 13 and also disbursements marked with code 11 and 15 shall not be shown in column 7.

12. In columns 7.1 to 7.3 the codes of payments corresponding to the types of payments shown in columns 7.1.1, 7.2.1 and 7.3.1 shall be shown. The codes used for marking the types of payments in these columns:

**02** – income from rent or hire and income from royalties on the basis of § 16 of the Income Tax Act, except payments to a sole proprietor who is registered in the commercial register and the payment is his or her business income;

**03** – interests (§ 17 of the Income Tax Act);

**04** – maintenance support and allowance (§ 19 (1) of the Income Tax Act);

**05** – pension paid by the Estonian state pursuant to law and payments made from a mandatory pension fund pursuant to the Funded Pensions Act before deduction of the increased basic exemption (§ 19 (2) of the Income Tax Act);

**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 benefit paid by the employer (§ 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 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 the management or controlling body of a legal person (§ 13 (2) of the Income Tax Act), except payments to a sole proprietor entered in the commercial register and the payment is his or her business income; scholarships, benefits and pension paid in connection with membership of the 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 the management or controlling body of a legal person;

**12** – compensation paid in connection with an accident at work or an occupational disease (§ 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 the employment contract or upon release from service;

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

**15** – remuneration or service fees paid on the basis of a contract for service, authorisation agreement or any other contract under the law of obligation (§ 13 (1<sup>1</sup>) of the Income tax Act), except payments to a sole proprietor entered in the commercial 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 premium paid under Unemployment Insurance Act;

**17** – insurance premium due to redundancy payable under Unemployment Insurance Act;

**18** - compensation for the employer's insolvency payable under Unemployment Insurance Act;

**19** - 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 the § 67 of the Foreign Service Act.

13. In column 8 the unemployment insurance premium withheld in accordance with § 42 (1) 1) of the Unemployment Insurance Act from the payments of a calendar month declared in column 9 shall be shown. In case of a person who has reached the retirement age 0 shall be

indicated in column 8 starting from the month that follows the month of reaching the retirement age. In case of a person to whom the early-retirement pension has been granted on the basis of § 9 of the State Pension Insurance Act 0 shall be written in column 8. In case of a person who has reached the retirement age 0 shall be indicated in column 8 starting from the month that follows the month of reaching the retirement age. In case of a person to whom the early-retirement pension has been granted on the basis of § 9 of the State Pension Insurance Act 0 shall be written in column 8.

14. In column 9 the amount of payments made in the calendar month, on which the payer is required to calculate and withhold the unemployment insurance premium shall be shown. Amount of payments shall be shown as personified, even if the payment is made to a person who has reached the retirement age or to a person who has been granted early retirement pension (this is necessary for calculation of the employer's tax liability).

15. In column 10 the payment made to a resident natural person in the calendar month as a contribution to mandatory funded pension withheld in accordance with § 11(1) 1) and 2) of the Funded Pension Act from the disbursements shown in column 5, if the recipient of the disbursement is an obligated person on the basis on § 6 of the Funded Pension Act shall be shown.

16. In column 10 also the contributions to mandatory funded pension in accordance with § 11 (1) 1) and 2) of the Funded Pension Act withheld from compensations marked by Estonian Unemployment Insurance Fund with code 17 and 18 shall be shown. From the disbursement marked with code 16 the contribution to mandatory funded pension is not withheld and shall not be shown in column 10.

17. In column 10 the supplementary contributions to funded pension calculated from the parental benefits on the basis of the § 11 (1) 3) of the Funded Pension Act marked by Social Insurance Board with code 19 shall also be shown.