





European Platform tackling undeclared work

'Thank you for paying taxes' awareness raising campaign


Estonia

	Summary <p>The information campaign 'Thank you for paying taxes' is an initiative from the Estonian Tax and Customs Board against envelope wages, thanking taxpayers and highlighting how paying taxes benefits a variety of systems in Estonia such as education, health, social security and pensions.</p>
Title of the practice in original language	<i>Aitäh, et maksad makse!</i>
Name(s) of authorities/bodies/organisations involved	<ul style="list-style-type: none"> Estonian Tax and Customs Board (ETCB) (<i>Maksu- ja Tolliamet</i>)
Sectors	All
Target groups	<ul style="list-style-type: none"> Workers (directly targeted); Employers (directly targeted); Wider public (indirectly targeted).
Purpose of measure	Changing attitudes: commitment to tax morality

	Aims and objectives <p>The campaign's main objective is to reduce the extent of envelope wages by expressing gratitude to people for paying their taxes and to stress that the revenues received from those taxes help to fund hospitals, schools, roads and pensions.</p> <p>Another aim is to highlight that personal benefits from paying taxes, for example, a pension or a child's school allowance, could be lost if there are no honest taxpayers.</p>
Background context	<p>Over recent years, raising public awareness has been one of the main purposes of the Tax and Customs Board (ETCB) and Labour Inspectorate.</p> <p>Data show that 10-15 % of employees in Estonia receive a partial or full envelope wageⁱ (cash-in-hand payment). This typically happens in specific sectors such as trade, transport, catering, agriculture and construction.</p>

	<p>According to latest data, the cost of envelope wages in Estonia is around EUR 149 millionⁱⁱ.</p> <p>The national information campaign 'Thank you for paying taxes' was launched by the Estonian Tax and Customs Board in July 2018 under the slogan 'Thank you for paying taxes! Thanks to you Estonia is well kept'.</p>
Key objectives of the measure	<p>General Objective:</p> <ul style="list-style-type: none"> To enhance social awareness about the benefits of paying taxes, as well as the overall implications of undeclared work and its negative effects on the principles of solidarity and fairness in the application of social security rights. <p>Specific Objectives:</p> <ul style="list-style-type: none"> To thank employees who pay their taxes; To highlight that hospitals, schools, roads, pensions and social security are funded by these tax revenues; To point out that budgetary losses caused by tax evasion can impact members of one's own family.
Main activities	<p>The campaign outlines the following main messages:</p> <ul style="list-style-type: none"> Various services and systems that are crucial to society (health, roads, street lighting, plumbing, security and safety, pensions, etc) can only function because employees pay taxes honestly; Failure to pay taxes affects every member of one's family, for example: your parent's retirement benefit, your son's school benefit, your spouse's medical benefit, etc; If no one paid taxes, there would be no Estonian state. <p>The campaign has an official websiteⁱⁱⁱ, which is available in Estonian and Russian, and includes videos highlighting the campaign's messages, as well as information about the impact of receiving envelope wages.</p> <p>The website also contains links to useful resources, such as tools where employees can check if they are officially registered, verify the tax behaviour of their employer and obtain information about how the Government uses taxpayers' funds.</p> <p>The messages of the campaign were also communicated via television, radio, web and street advertising. In addition, stickers with the main campaign messages were put on ambulances.</p> <p>In 2019 a new video format was introduced – tax wisdom videos. These videos act as a deterrent to people, showing real-life examples of what happens when people avoid paying taxes. The videos are available on the Tax and Customs Board's YouTube channel^{iv}.</p>

Funding/organisational resources	<ul style="list-style-type: none"> The campaign was funded by the National Funding for Estonian Tax and Customs Board's PR activities.
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	<p>Outcomes</p> <p>The campaign successfully reached a wide audience, it attracted the population's attention and provided opportunities for discussion on social media.</p> <p>The main factors that contributed to the campaign's success included using a variety of communication channels; showcasing real-life examples to disseminate the campaign's messages; involvement of other national institutions; and the use of a reputable creative agency.</p>
Achievement of objectives	<p>The campaign was widely distributed and received a lot of positive feedback via different communication channels. It sparked discussions on social media and was clearly visible in outdoor media and TV adverts.</p> <p>Impact was assessed by examining web analytics data (number of views, clicks, shares, etc.), as well as the Estonian Tax and Customs Board's reliability index and data from research.</p> <p>Given the campaign's success, the Estonian Tax and Customs Board is considering using a similar strategy and core messages in future campaigns.</p>
Lessons learnt and success factors	<p>Success factors:</p> <ul style="list-style-type: none"> Using different communication channels in a combined way; Using a good creative agency to help design the campaign materials; Using real examples from everyday life to explain the campaign's messages; Involving other national institutions in the distribution process. <p>Lessons learnt:</p> <ul style="list-style-type: none"> Allow enough time to develop the webpage; Engage all the partners involved in the different stages of the campaign, also in the planning phase.
Transferability	<p>The 'Thank you for paying taxes' awareness raising campaign is based on a public relations model which could be transferred to other countries. Using a variety of different communication channels helps reach a wider public to improve knowledge and understanding of the benefits of honestly paying taxes, as well as pointing out the real impact of not paying taxes. An appropriate budget needs to be allocated to design and implement the campaign.</p>

Further information	
Contact	Estonian Tax and Customs Board Email: kom@emta.ee
Useful sources and resources	'Thank you for paying taxes' campaign's website https://palk.emta.ee/ Tax and Customs Board's Youtube channel https://www.youtube.com/channel/UCuID-sPDACqooIoELbCd_g

ⁱ Often used in the context of under-declared employment, an envelope wage is a cash-in-hand wage paid by a formal employer to a formal employee in addition to their official declared salary, to reduce their tax and social security payments and therefore labour costs. It arises from an agreement between the employer and employee, and additional conditions may be attached to its payment, which are not in the formal written contract or terms of employment.

See https://ec.europa.eu/social/main.jsp?catId=1323&langId=en#chapter_E

ⁱⁱ See <https://palk.emta.ee/ru/statistika>

ⁱⁱⁱ See <https://palk.emta.ee/>

^{iv} See https://www.youtube.com/channel/UCuID-sPDACqooIoELbCd_g