



# EMPLOYMENT IN TURKEY



Turkey, officially known as the Republic of Turkey, is a transcontinental country situated across Europe and Asia. Its capital is Ankara, and its largest city (and financial centre) is Istanbul. One of the world's earliest permanently settled regions, modern day Turkey has an upper middle-income economy, with thriving automotive, banking, textiles, electronics, construction, and pharmaceutical industries. Under the supervision of the Ministry of Labour, the Labour Law is the main legislation setting forth the principles applicable to employees and employers in Turkey. Below is some key information regarding employment in Turkey, intended to provide a brief overview of employment law in Turkey. It is not intended as substitute for professional legal advice and counsel.



## WORKING TIME AND OVERTIME

Whilst there is no 'standard' work week in Turkey, working hours are set at a maximum of 45 per week and should be equally divided across the number of days worked. If an employee's weekly working hours exceed 45, they are entitled to overtime pay, which increases their regular hourly rate by 50%. In lieu of payment, employees may be granted 1.5 hours of 'free time' for every overtime hour worked. Total overtime hours may not exceed 270 per year.

## ANNUAL LEAVE

Employees who have worked for at least one year (including the probation period) are entitled to paid annual leave. Paid time off is based on years of service, according to the following schedule:

- 1-5 years: 14 working days
- 5-15 years: 20 working days
- 15+ years: 26 working days

## TRIAL PERIOD

Under Turkish Labour Law, a maximum two-month probation period may be implemented, during which employment may be terminated without penalty.

## RESIGNATION AND DISMISSAL

Employers are obliged to comply with mandatory legal minimum termination notice periods, which vary depending on the length of the employment, in accordance with the following schedule:

- Less than 6 months: 2 weeks
- 6 - 18 months: 4 weeks
- 18 months - 3 years: 6 weeks
- 3+ years: 8 weeks

For employees who have completed at least 1 years' service, severance payments are required for termination of an employment contract, whether or not there is a cause justification. The severance payment is calculated by multiplying the employee's last 30 days' gross wage by the number of years they have been employed.

## RESTRICTIVE COVENANTS

Non-compete agreements must be in written form, and are only valid if the employee is employed in a position whereby, they will be exposed to valuable knowledge, or trade secrets, and the use of such information may harm the employer. They must be limited to a reasonable period of time (max. 2 years), effective within a specified territory, and in relation to a specific business field. Employee and customer non-solicitation clauses are also permissible.

## CONTRACT OF EMPLOYMENT

For indefinite period contracts, it is legally required to have a written employment contract in place in the local language. The contract should state the terms of the employee's compensation, all benefits, and termination requirements. The contract should show the employee's salary in Turkish Lira.



## MATERNITY AND PATERNITY LEAVE

Pregnant women are eligible to receive 8 weeks of maternity leave preceding and following childbirth. In addition, they are eligible for lump-sum pregnancy, childbirth, and nursing benefits. Fathers are entitled to parental leave of up to 3 days.

## SICKNESS LEAVE

Under Turkish Labour Law, all employees are entitled to a maximum of 1 week's paid sick leave, on presentation of a valid medical report. Employers are not obliged to pay their employees for time off sick as this is covered by government disability programs. In practice, most employers continue to pay employees their full salary while they are sick and deduct the amount paid by the Social Security Institution from the employee's salary. Extended sick leave may be granted on an unpaid basis.

## SOCIAL SECURITY

Social security premiums must be paid by the employer and the employee at rates defined according to labour categories. For Turkish nationals, the general rates are 20.5% (if certain conditions are satisfied, it is reduced by 5% to 15.5%) for the employer. Foreign nationals who remain covered under their home country's social security system are not required to pay Turkish social security premiums up to a maximum period of three months (possibly longer if there is a social security treaty between the home country and Turkey).

Contribution	Employee	Employer
Social Security Contribution	14%	20.5%
Unemployment Insurance	1%	2%

Note: - State makes 1% contribution to unemployment insurance.

## HEALTHCARE AND INSURANCE

The healthcare system in Turkey comprises a mixture of compulsory health insurance and private medical insurance. The Ministry of Health is responsible for coordinating all health and social welfare activities, and according to the Turkish Constitution, all individuals are entitled to social security. The public healthcare system is paid for through public health insurance which is automatically deducted from employees' salaries.



# EMPLOYMENT OF FOREIGN NATIONALS

Most foreign nationals will need a visa to work in Turkey. A foreign worker in Turkey will initially be issued a definite-term work permit for a maximum of one year. In the case of an extension request, the foreign worker shall be granted a maximum of two years' extension at the first extension application for the same employer, and for further applications, a maximum of three years' extension shall be granted. Highly qualified foreign workers may have the option of being

granted a 'Turquoise Card' for a transition period of three years, during which time their activities and commitments will be monitored by a specialist from the General Directorate. The Turquoise Card can then be made indefinite. Foreign workers with a long-term residence permit or a legal work permit with a minimum term of eight years may apply for an indefinite-term work permit, however, there is no automatic entitlement to this.





# SALARY AND SALARY TAXES

## MINIMUM WAGE

The minimum wage in Turkey is TRY 5,500 per month.

## INCOME TAX

Income tax is payable in Turkey according to the following schedule:



Taxable income (TRY )	Tax on excess
0-22,000	15%
22,000-49,000	20%
49,000-180,000	27%
180,000-600,000	35%
600,000+	40%



### **SALARY PAYMENTS**

Salary payments must be made at least once a month. The payment period may be fixed at weekly through the employment contract if desired

### **SOCIAL SECURITY CONTRIBUTIONS**

The employee contributes 14% of their salary to Social Security, in addition to between 15.5% and 20.5% contributed by the employer (dependent on certain conditions). The employee contributes 1% of their salary to Unemployment Insurance, in addition to 2% contributed by the employer and 1% by the government.





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