

## Turkey

Exchange rate: US\$1.00 = 2.14 liras.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1949 (old age) and 1957 (old age, disability, and survivors).

**Current laws:** 1964 (social insurance), implemented in 1965; 1983 (agricultural employee social insurance), implemented in 1984; 2006 (social security institution); 2006 (social security and general health insurance), implemented in 2007 and 2008; and 2008 (social security).

**Type of program:** Social insurance system.

Note: In May 2006, the separate systems for public- and private-sector employees and the self-employed were merged into one under the newly created Social Security Institution.

#### Coverage

Employees (including foreign nationals) working under a service contract in the public or private sector, including civil servants, self-employed persons, and full-time household workers.

Exclusions: Part-time household workers.

Voluntary coverage is available.

#### Source of Funds

**Insured person:** 9% of monthly earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The maximum monthly earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

**Self-employed person:** 20% of monthly declared earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The maximum monthly earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

**Employer:** 11% of employees' monthly earnings.

The minimum monthly earnings used to calculate contributions are the legal monthly minimum wage.

The maximum monthly earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

**Government:** 25% of total contributions collected.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men, gradually rising to age 65 from 2036 to 2044) or age 58 (women, gradually rising to age 65 from 2036 to 2048) with at least 7,200 days of paid contributions (9,000 days for civil servants and self-employed persons); age 63 (men, gradually rising to age 65 from 2036 to 2044) or age 61 (women, gradually rising to age 65 from 2036 to 2048) with at least 5,400 days of paid contributions.

At any age with an assessed degree of disability of at least a 60% that began before starting insured employment and at least 15 years of coverage including at least 3,600 days of paid contributions; for an assessed degree of disability of 50% to 59%, at least 16 years of coverage including at least 4,320 days of paid contributions; or for an assessed degree of disability of 40% to 49%, at least 18 years of coverage including at least 4,680 days of paid contributions.

Special conditions if first insured before October 1, 2008; if aged 50 or older and prematurely aged; and for miners.

Mothers with special needs children requiring constant attendance may receive credit in order to retire before the normal retirement age.

Employment must cease. (Employment may continue under certain circumstances, provided the pensioner pays a support contribution of 15% of his or her pension.)

The pension may be deferred. There is no age limit.

**Old-age settlement:** Age 60 (men, gradually rising to age 65 from 2036 to 2044) or age 58 (women, gradually rising to age 65 from 2036 to 2048) and does not meet the contribution requirements for an old-age or disability pension; age 50 (men and women) if prematurely aged and does not meet the contribution requirements for the old-age or disability pension.

The old-age pension and the old-age settlement may be partially payable abroad under reciprocal agreement.

**Disability pension:** Assessed with at least a 60% loss of working capacity that began after starting insured employment and has at least 10 years of coverage including at least 1,800 days of paid contributions. The requirement for the years of coverage is waived for insured persons requiring constant attendance.

The disability pension may be partially payable abroad under reciprocal agreement.

**Survivor pension:** The deceased received or was entitled to receive an old-age or disability pension at the time of death or had at least five years of coverage including at least 900 days of paid contributions (1,800 days for civil servants and self-employed persons).

Eligible survivors include a spouse; children younger than age 18 (age 20 if a pre-university student, age 25 if a university student); a son aged 18 or older who is disabled and unemployed; an unmarried, widowed, or divorced daughter of any age who is not in insured employment or receiving any social security benefits in her own right; and dependent parents.

The survivor pension for a spouse or daughter ceases on remarriage.

**Survivor settlement:** The deceased did not qualify for an old-age or disability pension at the time of death.

The survivor pension and survivor settlement may be partially payable abroad under bilateral agreement.

**Funeral grant:** Paid to the family on the death of an old-age or disability pensioner.

### **Old-Age Benefits**

**Old-age pension:** The pension is the insured's average monthly earnings over the entire working life multiplied by the accrual rate.

Average monthly earnings are the insured's total earnings divided by the total days of paid contributions, multiplied by thirty.

The accrual rate is 2% of average earnings for each 360-day contribution period (reduced proportionately for periods of less than 360 days), up to 90%.

A special calculation applies if first insured before October 1, 2008.

Benefit adjustment: Benefits are adjusted in January and July of each year according to changes in the consumer price index.

**Old-age settlement:** A lump sum is paid.

### **Permanent Disability Benefits**

**Disability pension:** The pension is the insured's average monthly earnings multiplied by the accrual rate.

Average monthly earnings are the insured's total earnings divided by the total days of paid contributions before the disability began, multiplied by thirty.

The accrual rate is 2% of average earnings for each 360-day contribution period (reduced proportionately for periods of less than 360 days), up to 90%. For insured persons with less than 7,200 days of paid contributions (9,000 days for civil servants and self-employed persons), the accrual

rate is calculated as if they had 7,200 days of paid contributions (9,000 days for civil servants and self-employed persons).

A special calculation applies if first insured before October 1, 2008.

Constant-attendance allowance: 100% of the pension is paid.

Benefit adjustment: Benefits are adjusted in January and July of each year according to changes in the consumer price index.

### **Survivor Benefits**

**Spouse's pension:** 50% of the old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er); 75% if the widow(er) does not have children and is not working or receiving a pension.

**Orphan's pension:** 25% of the old-age or disability pension the deceased received or was entitled to receive is paid to each eligible orphan (50% for a full orphan).

Marriage grant: A lump sum of two years of the old-age or disability pension the deceased received or was entitled to receive is paid to a daughter of the deceased on (re)marriage.

**Other eligible survivors:** 25% of the old-age or disability pension the deceased received or was entitled to receive is paid to dependent parents.

All survivor benefits combined must not exceed 100% of the old-age or disability pension the deceased received or was entitled to receive.

Dependent parents older than age 65 may receive 25% of the deceased's pension even if all survivor benefits combined exceed 100% of the deceased's pension.

A special calculation applies if first insured before October 1, 2008.

A minimum pension is paid.

**Survivor settlement:** A lump sum is split among survivors according to a schedule.

**Funeral grant:** A lump sum is paid.

Benefit adjustment: Benefits are adjusted in January and July of each year according to changes in the consumer price index.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.csgb.gov.tr>) provides general supervision.

Social Security Institution (<http://www.sgk.gov.tr>) managed by a general assembly, board of directors, and president, administers the program.

## Sickness and Maternity

### Regulatory Framework

**First laws:** 1945 (maternity) and 1950 (sickness).

**Current laws:** 1964 (social insurance), implemented in 1965; 1983 (agricultural employee social insurance), implemented in 1984; 2006 (social security institution); 2006 (social security and general health insurance), implemented in 2007 and 2008; and 2008 (social security reform).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

Note: As of January 1, 2012, all residents are covered under a universal health insurance program introduced in 2007.

### Coverage

**Cash and medical benefits:** Employees working under a service contract in the public or private sectors and their dependent family members, including self-employed persons and full-time household workers. The spouse of an insured man is eligible for the nursing benefit.

Exclusions: Part-time household workers.

**Medical benefits only:** All citizens of Turkey; homeless people and refugees; foreigners with a residence permit of at least one year; and foreign students.

Voluntary coverage is available.

Special systems for civil servants.

### Source of Funds

#### Insured person

**Cash sickness and maternity benefits:** None.

**Medical benefits:** 5% of declared monthly earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

#### Self-employed person

**Cash sickness and maternity benefits:** 1% to 6.5% of declared monthly earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

The self-employed person's contributions also finance work injury benefits.

**Medical benefits:** 12.5% of declared monthly earnings.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

#### Employer

**Cash sickness and maternity benefits:** 1% to 6.5% of monthly payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

The employer's contributions also finance work injury benefits.

**Medical benefits:** 7.5% of monthly payroll.

The minimum earnings used to calculate contributions are the legal monthly minimum wage.

The maximum earnings used to calculate contributions are 6.5 times the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (891 liras in July 2014).

#### Government

**Cash sickness and maternity benefits:** Contributes as an employer.

A portion of the government's contribution also finances work injury benefits.

**Medical benefits:** 25% of total contributions collected; the cost of contributions for vulnerable groups.

### Qualifying Conditions

**Cash sickness benefits:** Must have at least 90 days of contributions in the year before the diagnosis of illness.

#### Cash maternity benefits

**Incapacity for work benefit:** Must have at least 90 days of contributions in the year before childbirth.

**Nursing benefit:** Must have at least 120 days of contributions in the year before childbirth.

**Medical benefits:** Must have at least 30 days of contributions (60 days for the self-employed) in the year before the illness or accident occurred. Coverage continues for 10 days following termination of employment; for 90 days with at least 90 days of contributions in the year before the illness or accident occurred.

## Sickness and Maternity Benefits

**Sickness benefit:** 50% of daily earnings is paid if hospitalized; 66% of daily earnings for outpatient treatment. The benefit is paid after a two-day waiting period.

Benefit adjustment: The minimum and maximum daily covered earnings used to calculate benefits are adjusted according to changes in the minimum wage.

### Maternity benefits

**Incapacity for work:** 66% of earnings is paid for up to eight weeks before and eight weeks after the expected date of childbirth; extended for two weeks for multiple births.

**Nursing grant:** A lump sum is paid for a live birth.

Benefit adjustment: The minimum and maximum daily covered earnings used to calculate benefits are adjusted according to changes in the minimum wage.

## Workers' Medical Benefits

Health care facilities provide medical services to patients under an agreement with the Social Security Institution.

**Cost sharing:** No copayment for general care or hospitalization. The insured pays 5 liras for outpatient specialist care in public hospitals; 12 liras in private hospitals.

Prescription drugs are fully reimbursed for certified chronic conditions and emergency room visits. The insured pays 20% (10% for pensioners) of the cost of all other prescription drugs. The reimbursement payment for prescription drugs is based on the least expensive available brand, but the insured may opt to pay the difference for a more expensive brand.

## Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

## Administrative Organization

Ministry of Labor and Social Security (<http://www.csgb.gov.tr>) provides general supervision.

Social Security Institution (<http://www.sgk.gov.tr>) administers cash benefits through its branch offices. Medical care and medicine are provided through agreements with hospitals and pharmacies.

## Work Injury

### Regulatory Framework

**First law:** 1945 (industrial accidents).

**Current laws:** 1964 (social insurance), implemented in 1965; 1983 (agricultural employee social insurance), implemented in 1984; 2006 (social security institution); 2006 (social security and general health insurance), implemented in 2007 and 2008; and 2008 (social security).

**Type of program:** Social insurance system.

### Coverage

Employees working under a service contract in the public or private sector, including full-time household workers; applicants for apprenticeships, apprentices, and students; and prisoners working in prison workshops.

Exclusions: Part-time household workers.

Special systems for civil servants.

### Source of Funds

**Insured person:** None.

**Self-employed person:** See source of funds under Sickness and Maternity.

**Employer:** See source of funds under Sickness and Maternity.

**Government:** See source of funds under Sickness and Maternity; the cost of contributions for apprentices and students in technical schools.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

### Temporary Disability Benefits

66% of daily earnings is paid from the first day of incapacity; 50% of daily earnings if hospitalized.

Benefit adjustment: The minimum and maximum daily covered earnings used to calculate benefits are adjusted according to changes in the minimum wage.

### Permanent Disability Benefits

**Permanent disability pension:** For a total disability (100%), 70% of the insured's average monthly earnings is paid; 100% if the insured requires the constant attendance of others to perform daily functions.

Average monthly earnings are the insured's total earnings divided by the total days of paid contributions before the disability began, multiplied by thirty.

**Partial disability:** For an assessed degree of disability of at least 10%, a percentage of the full pension is paid according to the assessed degree of disability.

For an assessed degree of disability of at least 25%, the minimum pension is 70% of the legal monthly minimum wage.

The legal monthly minimum wage is 846 liras (rising to 891 liras in July 2014).

There is no maximum pension.

Constant-attendance allowance: 100% of the pension is paid.

Benefit adjustment: Benefits are adjusted in January and July of each year according to changes in the consumer price index.

### **Workers' Medical Benefits**

Benefits include medical treatment, including preventive care; laboratory services, surgery, and hospitalization; vision, hearing, and dental care; assisted reproductive services; transplants; medicine; transportation; and a daily allowance and expenses for a companion when seeking care abroad.

There is no limit to duration.

### **Survivor Benefits**

**Spouse's pension:** 50% of the permanent disability pension the deceased received or was entitled to receive is paid to a widow(er); 75% if the widow(er) does not have children and is not working or receiving a pension.

The spouse's pension ceases on remarriage.

**Orphan's pension:** 25% of the permanent disability pension the deceased received or was entitled to receive is paid to each eligible orphan; 50% for a full orphan.

Eligible orphans include children younger than age 18 (age 20 if a pre-university student, age 25 if a university student); a son aged 18 or older who is disabled and unemployed; an unmarried, widowed, or divorced daughter of any age who is without insured employment and is not receiving any social security benefits in her own right.

The orphan's pension for a daughter ceases on (re)marriage.

**Marriage grant:** A lump sum of two years of the permanent disability pension the deceased received or was entitled to receive is paid to a daughter upon (re)marriage.

**Other eligible survivors:** 25% of the permanent disability pension the deceased received or was entitled to receive is paid to dependent parents.

All survivor benefits combined must not exceed 100% of the permanent disability pension the deceased received or was entitled to receive.

Dependent parents older than age 65 may receive 25% of the deceased's pension even if all survivor benefits combined exceed 100% of the deceased's pension.

A special calculation applies if first insured before October 1, 2008.

A minimum pension is paid.

**Funeral grant:** A lump sum is paid to the family on the death of the insured worker.

Benefit adjustment: Survivor benefits are adjusted in January and July of each year according to changes in the consumer price index.

### **Administrative Organization**

Ministry of Labor and Social Security (<http://www.csgb.gov.tr>) provides general supervision.

Social Security Institution (<http://www.sgk.gov.tr>) administers the program through its branch offices and health facilities.

### **Unemployment**

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#### **Regulatory Framework**

**First and current laws:** 1999 (unemployment insurance), implemented in 2000; 2006 (social security institution); 2006 (social security and general health insurance), implemented in 2007 and 2008; and 2008 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

Employees (including foreign nationals) aged 18 or older working under a service contract in the public or private sector and certain other specified groups.

Exclusions: Civil servants, workers in agriculture and forestry, household workers, military personnel, students, and self-employed persons.

Voluntary coverage is available.

#### **Source of Funds**

**Insured person:** 1% of monthly earnings, up to a maximum.

**Self-employed person:** Not applicable.

**Employer:** 2% of monthly payroll.

**Government:** 1% of monthly earnings, up to a maximum.

#### **Qualifying Conditions**

**Unemployment benefit:** Must have paid contributions in the last 120 days of employment and have at least 600 days of paid contributions in the three years before unemployment.

#### **Unemployment Benefits**

The minimum daily benefit is 40% of average daily earnings in the last four months, up to 80% of the gross legal monthly minimum wage. The benefit is paid for 180 days to an insured worker with at least 600 days of contributions; for 240 days with at least 900 days of contributions; and 300 days with at least 1,080 days of contributions.

The gross legal monthly minimum wage is 1,071 liras.

A worker may receive unemployment benefits at the same time as sickness and maternity benefits.

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***Administrative Organization***

Ministry of Labor and Social Security (<http://www.csgb.gov.tr>) provides general supervision.

Social Security Institution (<http://www.sgk.gov.tr>) collects contributions.

Employment Agency (<http://www.iskur.gov.tr>) administers the program.