

CLIENT ALERT

EMPLOYMENT | TURKEY

JANUARY 2023

PRACTICAL INFORMATION GUIDE FOR 2023 | EMPLOYMENT AND LITIGATION IN TURKEY

Here is some practical information regarding the employment and litigation practices that will be applicable in 2023. Please note that the information mentioned is updated every year, in accordance with the legislation.

LABOUR AND SOCIAL SECURITY LAW

Minimum Wage

Information on the minimum wage to be applied between 01.01.2023 and 31.12.2023:

GROSS AMOUNT OF DAILY AND MONTHLY MINIMUM WAGE	
Minimum Wage Daily Amount	Minimum Wage Monthly Amount
TRY 333.60	TRY 10,008

LEGAL DEDUCTIONS FROM THE MINIMUM WAGE	
Gross Wage	TRY 10,008
Employee Share of Insurance Premium (%14)	TRY 1,401.12
Employee Contribution to Unemployment Insurance (%1)	TRY 100.08
Income Tax and Stamp Duty	TRY 0
Net Minimum Wage	TRY 8,506.80

MINIMUM WAGE TOTAL COST FOR EMPLOYER	
Minimum Wage	TRY 10,008
Employer Share of Insurance Premium (20.5%)	TRY 2,051.64
Employer SSI Incentive (5%)	TRY (-500.40)
Employer Unemployment Insurance Fund (2%)	TRY 200.16
Total Cost for Employer	TRY 11,759.40

Severance Pay

The maximum gross wage amount to be used as the basis for calculating severance pay has increased to TRY 19,982.83 per month, applicable from 01.01.2023 to 30.06.2023. This amount will be valid only for the first half of 2023. The amount for the second half of the year will be determined at a later time.

Severance pay is paid to the employee less 0.759% stamp duty taken from the gross wage. No other deductions are made from severance pay.

Maximum and Minimum Insurance Premium Fees

Maximum and minimum insurance premium fees to be applied between 01.01.2023 and 31.12.2023:

MAXIMUM AND MINIMUM INSURANCE PREMIUM FEES	
Maximum Fee	Minimum Fee
TRY 75,060	TRY 10,008

Administrative/Monetary Fines For Unlawful Acts as per Labour Law No 4857

UNLAWFUL ACT	ADMINISTRATIVE FINE
Violation of the obligation to notify the workplace	TRY 105,689 (separately for the principal and sub-employer or their representatives whose duty it is to notify the workplace)
Violation of the equal treatment principle for employees	TRY 885 (per employee affected)
Violation of temporary employment relationship obligations	TRY 1,480 (per employee affected)
Violation of Article 7/2-f regarding temporary employment relationship	TRY 5,921
Violation of the obligation to provide a written document regarding the content of the employment contract	TRY 885 (per employee affected)
Violation of the on-call and remote work provisions	TRY 885 (per employee affected)
Violation of the obligation to provide an Employment Certificate	TRY 885 (per employee affected)
Violation of the collective dismissal procedure	TRY 3,475 (per employee affected)
Violation of the obligation to employ disabled employees and ex-offenders	TRY 13,598 (per disabled and ex-offender not employed as required per month)

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Intentionally failing to pay, or partially paying the salary arising from this law, a collective bargaining agreement or an employment agreement	TRY 956 (per employee affected, per month)
Violation of the obligation to pay remuneration, premiums, bonuses and all other benefits to a specially opened bank account	TRY 956 (per employee affected, per month)
Violation of the obligation to issue a pay slip	TRY 3,475
Violation of the obligation to impose an illegal salary deduction or failing to report the reason and calculation of the deduction	TRY 3,475
Violation of the obligation to pay the minimum wage, or paying less than the minimum wage	TRY 956 (per employee affected, per month)
Violation of the obligation to pay remuneration for overtime work, or to allow the employee to use the free time accrued within six months, or to obtain the consent of the employee to perform overtime work	TRY 1,683 (per employee affected)
Violation of the obligation to distribute the document about the percentage to the representative	TRY 3,475
Violation of the obligation to divide annual paid leave days by employer unlawfully	TRY 1,683 (per employee affected)
Violation of the obligation to pay or underpaying the vacation leave accrual	TRY 1,683 (per employee affected)
Violation of the obligation to pay the equivalent of unused annual leave to an employee whose employment agreement has been terminated	TRY 1,683 (per employee affected)
Violation of the obligation to allow employees to use annual leave according to the essential procedures of the annual leave regulation	TRY 1,683 (per employee affected)
Violation of the obligation to comply with working hours and the provisions of the relevant regulation	TRY 9,303
Violation of the obligation to comply with compensatory work procedures	TRY 1,683 (per employee affected)
Violation of the obligation to give a rest break to the employee	TRY 9,303
Violation of the obligation to not work employees for more than 7.5 hours at night, and to change day and night shifts	TRY 9,303
Violation of the prohibition on child employment	TRY 9,303
Violation of the prohibition on working underground and underwater	TRY 9,303

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Violation of the obligation to not employ children and young people at night	TRY 9,303
Violation of the obligation not to make women work during pre/postnatal periods or not to give unpaid leave	TRY 9,303
Violation of the obligation to create a personal file for each employee	TRY 9,303
Violation of regulations related to working hours	TRY 9,303
Violation of the obligation to show the necessary documents and evidence upon demand and to provide everything Labour Inspectors need to perform their duties (paragraph 92/1), and to carry out their orders and requests without delay	TRY 84,553
Violation of the obligation to not influence employees on their statements, to not force them to hide or change the truth, not to behave inappropriately towards them when they testify to the relevant authorities	TRY 84,553
Violation of the obligation not to prevent investigation and inspection duties of Labour Inspectors	TRY 84,553

Administrative Fines For Unlawful Acts, According to the International Labour Force Law No. 6735

WRONGFUL ACT	AMOUNT OF PENALTY
To employ a foreigner without a work permit	TRY 35,815 (per foreign employee)
Foreigner working dependently without a work permit	TRY 14,318 (per foreign employee)
Foreigner working independently without a work permit	TRY 28,655 (per foreign employee)
To work independently and with an indefinite work permit without performing the notification obligation stipulated by law in due time, and to employ foreign employees under these conditions	TRY 2,378 (per foreign employee and per employer)

MONETARY LIMITS FOR 2023 UNDER THE CIVIL PROCEDURE LAW, THE ADMINISTRATIVE PROCEDURE LAW, AND THE EXECUTION AND BANKRUPTCY LAW

Monetary Limit of Proving by Deed	Monetary Limit for an appeal request before the Court of Appeal	Monetary Limit for an appeal request before the Court of Cassation
TRY 14,800	TRY 17,830	TRY 238,730

Monetary Limit for hearing requests before the Court of Cassation	Monetary Limit for appeal requests before a Court of Appeals (practised in Execution Courts)	Monetary Limit for appeals requests before the Court of Cassation (practised in Execution Courts)
TRY 358,150	TRY 41,710	TRY 238,730

Monetary Limit for appeals requests before Council of State (practised in administrative jurisdiction)	Monetary Limit for appeals requests before Court of Appeal (practised in administrative jurisdiction)	Monetary Limit for hearing requests before the Council of State
TRY 581,840	TRY 20,060	TRY 171,650

INCOME TAX CALCULATIONS

Income brackets used to calculate income tax rates have been reviewed for 2023 as follows. Please note that the rates up to 5 per cent have been deleted:

INCOME TAX RATES			
Income Scales (Employment Income)	Tax Rates	Income Scales (Non-Employment Income)	Tax Rates
Up to TRY 70,000	15%	Up to TRY 70,000	15%
TRY 70,000 - TRY 150,000	20%	TRY 70,000 - TRY 150,000	20%
TRY 150,000 - TRY 550,000	27%	TRY 150,000 - TRY 370,000	27%
TRY 550,000 of TRY 1,900,000	35%	TRY 370,000 - TRY 1,900,000	35%
TRY 1,900,000 and over	40%	TRY 1,900,000 and over	40%

INTEREST RATE DEVELOPMENTS

The Central Bank of the Republic of Turkey has determined the discount interest rate to be applied in rediscount transactions as 9.75% per annum. The interest rate to be applied in advance transactions is 10.75% per annum for 2023, with an effective date of 31.12.2022.

REVALUATION RATE DEVELOPMENTS

The revaluation rate for 2023 has been set at 122.93% in accordance with paragraph (b) of the duplicated Article 298 bis of the Tax Procedure Law No 213. This means that all administrative fines stated in the respective Laws (including Labour Law No 4857 and Consumer Protection Law No 6502) have been updated at the above rate.



In compliance with Turkish bar regulations, opinions relating to Turkish law matters that are included in this client alert have been issued by Özdirekcan Dündar Şenocak Ak Avukatlık Ortaklığı, a Turkish law firm acting as correspondent firm of Gide Loyrette Nouel in Turkey.

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