

## Turkey

Exchange rate: US\$1.00 equals 1,499,000 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, with 1999 amendment; and 1983 (agricultural employee social insurance), implemented in 1984, with 1999 amendment.

**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.

Special systems for civil servants; the self-employed; farmers; some categories of agricultural worker; and bank, insurance company, and stock exchange employees.

#### Source of Funds

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

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

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

**Employer:** 11% of monthly payroll; 13% on behalf of employees in arduous employment.

**Government:** None.

#### Qualifying Conditions

**Old-age pension:** If first insured on or after September 8, 1999, age 60 (men) or age 58 (women) with 7,000 days of contributions or 25 years of insurance coverage with 4,500 days of contributions.

If first insured before September 8, 1999, special conditions apply.

Miners younger than age 50 who have worked underground permanently for at least 20 years and who have at least 5,000 days of paid contributions (worked alternately underground for at least 25 years and have at least 4,000 days of contributions) can ask to receive the old-age pension; miners aged 50 or older who have a minimum of 1,800 days of insured employment are subject to other conditions.

Aged 50 or older and prematurely aged (and therefore unable to work until the full pensionable age), subject to other conditions.

An insured person, of any age, whose disability began before starting insured employment and who has at least 15 years of insurance coverage including at least 3,600 days of paid contributions, subject to the assessed degree of disability.

Gainful employment must cease on retirement. (In certain cases, employment may be permitted while receiving the old-age pension. In such cases, a social security support contribution of 30% of earnings must be paid.)

Deferred pension: There is no age limit for deferral.

**Old-age settlement:** Age 60 (men) or age 58 (women); age 50 (men and women), prematurely aged, and not eligible for a pension.

The old-age pension and the old-age settlement are partially payable abroad under bilateral agreement.

**Disability pension:** The loss of 2/3 of working capacity with at least 1,800 days of contributions or insured for at least 5 years with an average of 180 days of paid contributions for each year of insurance.

The disability pension is partially payable abroad under bilateral agreement.

**Survivor pension:** The deceased met the contribution requirements for a disability pension or an old-age pension or was a pensioner at the time of death; was insured for at least 5 years and had paid contributions for an average of at least 180 days each year or for a total of 1,800 days.

Eligible dependents include a spouse (the spouse's pension ceases on remarriage); children under age 18 (age 20 if in pre-university education, age 25 if in university); 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; and dependent parents.

**Survivor settlement:** The insured person was not eligible for a pension. A lump sum equal to total employee and employer contributions is split among survivors according to prescribed ratios.

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

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

#### Old-Age Benefits

**Old-age pension:** If first insured on or after January 1, 2000, the pension is calculated using the insured's average annual indexed earnings, on the basis of 3.5% for each 360-day period of contributions up to 3,600 days, 2% for each 360-day period of the next 5,400 days, and 1.5% for each additional 360-day period.

If first insured before January 1, 2000, special conditions apply.

The minimum monthly pension is at least 35% of the lower limit of monthly earnings, or 400,797,450 liras.

The maximum monthly pension is 878,682,251 liras.

Deferred pension: There are no additional payments for deferral beyond the standard retirement age.

**Old-age settlement:** If the insured is not eligible for a pension, a lump sum is payable equal to total employee and employer contributions.

Benefit adjustment: Pensions are adjusted periodically according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

### **Permanent Disability Benefits**

**Disability pension:** If first insured on or after January 1, 2000, the pension is calculated as 60% of the insured's average indexed earnings during the years before the onset of disability.

If first insured before January 1, 2000, special conditions apply.

Constant-attendance allowance: The pension is increased to 70% of average indexed earnings.

Benefit adjustment: Pensions are adjusted periodically according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

### **Survivor Benefits**

**Survivor pension:** If the deceased was first insured on or after January 1, 2000, the pension is calculated as 60% of the insured's average monthly earnings, plus 2% for each 360-day period of contributions beyond 8,100 days but not more than 9,000 days, plus 1.5% for each 360-day period of contributions beyond 9,000 days.

If the deceased was first insured before January 1, 2000, special conditions apply.

Eligible survivors include the spouse, orphans, and the deceased's parents.

The minimum pension for one survivor is 335,035,956 liras; 365,571,678 liras for two survivors.

**Survivor settlement:** If the deceased was not eligible for a pension, a lump sum equal to total employee and employer contributions is split among survivors according to prescribed ratios.

Eligible survivors include the spouse, orphans, and the deceased's parents.

**Funeral grant:** A lump sum of 182,100,000 liras.

Benefit adjustment: Pensions are adjusted periodically according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

### **Administrative Organization**

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

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

## **Sickness and Maternity**

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### **Regulatory Framework**

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

**Current laws:** 1964 (social insurance), implemented in 1965, with 1999 amendment; and 1983 (agricultural employee social insurance), implemented in 1984, with 1999 amendment.

**Type of program:** Social insurance system. Cash and medical benefits.

### **Coverage**

**Cash and medical benefits:** Employees working under a service contract in the public and private sectors and their dependent family members. (Cash maternity benefits are provided only to an insured woman.)

**Medical benefits only:** Pensioners and their dependents are covered for medical benefits.

Special systems for civil servants, the self-employed, and some categories of agricultural worker.

### **Source of Funds**

**Insured person:** 5% of monthly earnings (sickness).

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

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

**Employer:** 1% of payroll (maternity).

**Government:** None; except contributions for sickness benefits for applicants for apprenticeships, apprentices, and students in technical schools.

### **Qualifying Conditions**

**Cash sickness benefits:** 120 days of contributions during the year preceding the diagnosis of illness.

**Cash maternity benefits:** 120 days of contributions.

**Medical benefits:** For the insured person, 90 days of contributions in the year before the date of the first diagnosis of illness. For the insured's dependents, the insured must have 120 days of contributions in the year before the date of the first diagnosis of illness.

Eligible dependents include a spouse who does not work or receive any social security benefits; children under age 18 (age 20 if in pre-university education, age 25 if in university); 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; and dependent parents.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit for inpatient treatment is 1/2 of daily earnings. The benefit for outpatient treatment is 2/3 of daily earnings. The benefit is payable after a 2-day waiting period.

**Benefit adjustment:** The minimum and maximum daily insurable earnings for sickness benefit calculation purposes are adjusted according to changes to the minimum wage.

#### **Maternity benefits**

**Incapacity for work:** Two-thirds of earnings, payable for up to 8 weeks before and 8 weeks after the expected date of childbirth.

**Pregnancy benefit:** A lump sum of 50,000,000 liras (subject to the certification of pregnancy before the date of childbirth).

**Childbirth benefit:** A lump sum of 56,000,000 liras for a birth without complications, 116,000,000 liras for a birth by forceps, or 220,000,000 liras for a birth by caesarian section. In all cases, the Social Insurance Institution must receive certification of the birth within 3 months after the birth.

In cases in which medical services for pregnancy and childbirth cannot be provided directly through health facilities contracted by the Social Insurance Institution or government hospital, a fixed amount of monetary aid is provided according to the schedule in law. The fixed amount is increased for multiple births.

**Nursing grant:** A lump sum of 50,000,000 liras for a live birth.

**Benefit adjustment:** The minimum and maximum daily insurable earnings for maternity benefit calculation purposes are adjusted according to changes in to the minimum wage. The Ministry of Labor and Social Security may make ad hoc adjustments to the pregnancy benefit, childbirth benefit, and nursing grant.

### **Workers' Medical Benefits**

Medical services are usually provided directly to patients through the facilities of the Social Insurance Institution. Benefits include general and specialist care, hospitalization, laboratory services, medicines, maternity care, appliances, and transportation. Benefits are usually limited to 6 months; may be extended in special cases.

**Cost sharing:** The insured person pays 20% (10% for pensioners) of the cost of medicines and prostheses in outpatient treatment.

### **Dependents' Medical Benefits**

Medical services are usually provided directly to patients through the facilities of the Social Insurance Institution. Benefits include general and specialist care, hospitalization, laboratory services, medicines, maternity care, appliances, and

transportation. Benefits are usually limited to 6 months; may be extended in special cases.

**Cost sharing:** 20% (10% for a pensioner or the dependent of a pensioner) of the cost of medicines and prostheses in outpatient treatment.

### **Administrative Organization**

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

Social Insurance Institution (<http://www.ssk.gov.tr>) administers the program through its branch offices. It operates its own dispensaries, hospitals, sanatoria, and pharmacies and contracts with private-sector service providers in localities where it has no facilities.

### **Work Injury**

#### **Regulatory Framework**

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

**Current laws:** 1964 (social insurance), implemented in 1965, with 1999 amendment; and 1983 (agricultural employee social insurance), implemented in 1984, with 1999 amendment.

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

**Note:** Work accidents and occupational illnesses are separately provided for, but benefits are paid under the general system.

#### **Coverage**

Employees working under a service contract in the public or private sector; applicants for apprenticeships, apprentices, and students; and convicted persons working in prison workshops.

**Exclusions:** Part-time domestic employees.

Special systems for civil servants, the self-employed, and some categories of agricultural worker.

#### **Source of Funds**

**Insured person:** None.

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

**Employer:** Between 1.5% and 7% of payroll, according to the assessed degree of risk. The average contribution rate is 2.5% of payroll.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

**Government:** None; except the cost of applicants for apprenticeships, apprentices, and students in technical schools.

## Qualifying Conditions

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

## Temporary Disability Benefits

The benefit is 2/3 of daily earnings; 1/2 of daily earnings if hospitalized. The benefit is payable from the first day of incapacity.

Benefit adjustment: The minimum and maximum daily insurable earnings for benefit calculation purposes are adjusted according to changes in the minimum wage.

## Permanent Disability Benefits

**Permanent disability pension:** The pension is calculated on the basis of the insured's annual insurable earnings.

Total disability is assessed as the loss of earning capacity as a result of a work accident or an occupational disease.

Partial disability: For an assessed degree of disability of at least 10%, the pension is in proportion to the assessed degree of disability. For an assessed degree of disability of at least 10% but less than 25%, the pension may be paid as a lump sum.

The minimum pension is at least 70% of the lower limit of monthly earnings for contribution and benefit purposes, with an assessed degree of disability of at least 25%.

There is no maximum pension.

Constant-attendance allowance: Equal to 50% of the pension.

Benefit adjustment: Benefits are adjusted according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

## Workers' Medical Benefits

Medical treatment, surgery, hospitalization, medicines, appliances, and transportation. There is no limit to duration.

## Survivor Benefits

**Survivor pension:** The minimum monthly pension for one survivor is at least 80% (90% for two survivors) of 35% of the lower limit of monthly earnings for contribution and benefit purposes.

There is no maximum pension.

Eligible dependents include a spouse (the spouse pension ceases on remarriage); children under age 18 (age 20 if in pre-university education, age 25 if in university); 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; and dependent parents.

Dependent parents: If the total survivor pension awarded to the spouse and children is less than 70% of the insured's

annual earnings, the difference is paid to a dependent father and mother; if the total survivor pension awarded to the spouse and children is 70% or more of the insured's annual earnings, no pension is paid for a dependent father and mother.

**Funeral grant:** A lump sum of 182,100,000 liras is paid to the family on the death of the insured worker.

Benefit adjustment: Survivor benefits are adjusted according to changes in the monthly consumer price index. (An exception was made in 2004: a flat-rate increase of 10% was applied in January and July.)

## Administrative Organization

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

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

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## Unemployment

### Regulatory Framework

**First and current law:** 1999 (unemployment insurance), implemented in 2000.

**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, domestic workers, military personnel, students, and the self-employed.

### Source of Funds

**Insured person:** 1% of monthly earnings.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

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

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

**Government:** 1% of monthly earnings.

The minimum monthly earnings for contribution and benefit purposes are 444,150,000 liras.

The maximum monthly earnings for contribution and benefit purposes are 2,886,975,000 liras (6.5 times minimum earnings).

### Qualifying Conditions

**Unemployment benefit:** Six hundred days of contributions in the 3 years before unemployment, including the last 120 days of employment.

### **Unemployment Benefits**

The minimum daily benefit is 50% of average daily earnings, based on the last 4 months' earnings. The benefit is paid for 180 days to an insured worker with 600 days of contributions; for 240 days with 900 days of contributions; and 300 days with 1,080 days of contributions.

The monthly benefit must not be higher than the minimum wage for the industry in which the insured worked.

The maximum monthly benefit is 318,223,475 liras.

Unemployment benefits can be received in full at the same time as sickness and maternity benefits.

Benefit adjustment: Benefits are not adjusted but are calculated according to the insured's monthly earnings.

### **Administrative Organization**

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

Social Insurance Institution (<http://www.ssk.gov.tr>) is responsible for collecting contributions.

Employment Agency (<http://www.iskur.gov.tr>) is responsible for any further services and procedures.