Turkish Retirement and Health Insurance Acts, 1949–50

The Turkish social security system was expanded during 1949 and early 1950 by the adoption of two new retirement acts and by the addition of health insurance to the existing maternity insurance program. Before 1949, social insurance was limited to several retirement programs for public employees and to workmen's compensation and maternity insurance for persons employed in certain private establishments. The workmen's compensation and maternity programs were operated under 1945 legislation [1] that gave effect to the general enabling provisions of the Labor Code of 1936,[2] which had specified that priority was to be given to these types of insurance. On November 30, 1949, there were 340,840 persons subject to the Labor Code.

Unification of public employee retirement systems.—Act No. 5,434 of June 1949 is a unifying act intended to reform not only the principal civil and military retirement system—which existed under legislation of 1930—but also to replace 11 other retirement systems that had come into being for workers in public enterprises of one type or another. The act applies to "all governmental establishments regardless of whether they are civil or military, federal, provincial or municipal, or whether they are financed by the State Budget or by special budgets." It also applies to banks as well as other partnerships in which the State has a controlling share in the capital. It covers more than 250,000 workers. Operations under the new law began in December 1949, 6 months after its promulgation.[3]

This unified "Retirement Fund of the Turkish Republic" is administered as a corporation under supervision of the Ministry of Finance. Its capital is to include the existing reserves of other public retirement programs, plus contributions paid jointly by employees and the Government since 1945, as well as contributions for earlier years payable by the Government.

Contributions under the new law are fixed at 5 percent of earnings payable by the insured, 5 percent by the employing agency, plus 1 percent of the employing establishment's salary budget for permanent disability benefit. Retirement, invalidity, survivors, and war-connected disability benefits are provided. The worker may retire at age 55 with 30 years' service; the amount of benefit is 40 percent of salary for 20 years of service, plus 1 percent of salary for each additional year of service up to a maximum of 70 percent of salary. The salary for benefit purposes is the average of the last 2 years before retirement. A surviving widow and orphan will be entitled to half the pension paid or payable to the husband; other survivors will receive smaller benefits. Lump-sum payments will be made when the worker is not eligible for a pension. Invalidity pensions equal to 35–90 percent of earnings are payable after 15 years of service if invalidity is nonwork-connected. Transitional provisions govern the adjustment of existing pensions to the new system.

Old-age, invalidity, and survivors insurance in industry and commerce.—Law No. 5,417, adopted June 6, 1949, establishes old-age, invalidity, and survivors insurance for privately employed persons. Operations were scheduled to begin April 1, 1950.[4]

Coverage is virtually the same as under the Labor Code of 1936, which applies to industrial and commercial firms having 10 or more employees. The term "employee" is defined to mean persons doing manual work either exclusively or in part. Agricultural and maritime labor are not subject to the Labor Code; the retirement law exempts in addition persons covered by another retirement system, casual workers, and seasonal workers not ordinarily employed more than 200 days a year. Voluntary insurance, which will be open to workers who leave covered employment, may also be extended through collective arrangements to some of the groups that would otherwise be excluded.

Benefits include old-age and survivor pensions or lump-sum payments and a funeral grant of 50 liras.[5] The annual amount of the pension is equal to 20 percent of the combined worker and employer contributions paid and may not be less than 400 liras. The old-age pension will be payable at age 60; the invalidity pension, at age 50. Except for certain transitional arrangements the insured must in either case have had 25 years in covered employment, with an average of 200 days' contributions per year (in certain hazardous or heavy employments the number may be reduced to 160 days by the Ministry of Labor). At least 200 contributions must have been paid in the 3 years preceding the claim. Special provision is made for older workers who had been in covered employment for at least 5 years before the law was enacted.

Survivor pensions are provided under specified conditions to the spouse (widow or disabled widower), children, or (if no children survive) the dependent parents of the insured. The spouse receives 40 percent of the pension paid or payable to the insured; half orphans, 20 percent (shared equally among them); and full orphans, 30 percent (shared).

Lump-sum refunds equal to the combined worker and employer contributions will be paid to disabled persons not entitled to a pension and to the survivors of covered workers not eligible for pensions. To qualify, an average of 200 daily contributions (160 in some occupations) must have been paid each year since entry into covered employment. Workers attaining age 60 but not qualified for a pension, and women workers resigning in order to marry, will receive a refund of their own contributions provided they have been covered for 5 years and averaged 200 (160 in some occupations) contributions annually.

The program will be financed chiefly from contributions amounting to 8 percent of earnings (in some oc-

[1] Act No. 4,772, June 27, 1946. International Labor Office, *Legislative Series*, 1945—Turk. 1.

[2] Act No. 3,008, June 8, 1936. International Labor Office, *Legislative Series*, 1936—Turk. 2.

[3] U. S. Department of State, report from Consulate General, Istanbul, November 2, 1949.

[4] U. S. Department of State, report, Ankara, December 19, 1949, and reports from Consulate General, Istanbul, July 15 and November 2, 1949; *Industry and Labour*, Geneva, December 15, 1949, pp. 482–486.

[5] The Turkish lira is approximately 36 cents in United States currency.

cupations, 10 percent), with half being paid by the insured person and half by the employer. Earnings in excess of 20 liras daily are disregarded for contribution purposes, and no contribution can be based on less than 2 liras per day (when the worker earns less, the employer must pay the total contributions on the difference).

The Workers' Insurance Institute, which administers work-accident and maternity insurance under the 1945 law, is designated as the administrative agency under the supervision of the Ministry of Labor.

Health and maternity insurance.—Law No. 5,502, governing health and maternity insurance, was adopted January 4, 1950, and is scheduled to take effect March 30, 1951. Coverage is the same as under the Labor Code, and the maternity provisions have been adapted from the 1945 act regulating workmen's compensation and maternity benefit.[6]

Sickness benefits include both cash payments and medical care for insured persons and medical care at reduced cost for dependents. The cash benefit—payable for 180 working days—is equal to 50 percent of earnings if there are no dependents, and to 66⅔ percent if there are dependents. These amounts are reduced to 33⅓ percent and 50 percent, respectively, if the insured person is hospitalized. When sickness lasts for 2 weeks, the 3-day waiting period is compensated. To qualify for the payments, the insured must have contributed for 160 working days in the 12 months preceding the claim.

The medical benefit includes examination, diagnosis, and treatment; necessary hospital care; orthopedic and prosthetic services other than dental prosthesis; and necessary traveling expenses. Insured persons with fewer than 160 days' contributions in the preceding year may receive care for not more than 90 days; those with 160 contributions or more may be cared for as many as 180 (and in some instances 270) days.

Maternity benefits include partial replacement of wages of insured women workers, medical care for insured women and wives of insured men, and cash nursing benefits for insured women and wives of insured men. Cash wage-loss benefits will be payable at the rate of two-thirds of earnings for 3 weeks before and 6 weeks after confinement; the amount of the nursing benefit will be set by the Ministry of Labor.

The medical benefit includes prenatal, obstetrical, and postnatal care, with hospitalization if necessary. Where medical facilities cannot be furnished by the Institute, a cash payment may be substituted for medical services.

The program is to be financed by a total contribution of 4 percent of wages and salaries, one-half payable by the employer and one-half by the insured person. Maximum and minimum daily earnings for contribution purposes are fixed at 20 and 2 liras, respectively.

The Workers' Insurance Institute will supervise operation of the law, establish the necessary medical facilities, and conclude agreements with physicians. The insured person will have free choice of designated doctors.

[6] U. S. Department of State, report, Ankara, March 10, 1950.

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*Recent Publications**

Social Security Administration

CHILDREN'S BUREAU. *Homemaker Service in the United States, Puerto Rico, and Canada: A Directory of Agencies, with Supplementary Information.* Washington: Issued by the Children's Bureau in cooperation with the National Committee on Homemaker Service, 1950. 11 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

CHILDREN'S BUREAU. *Working Together for Children: The Court and the Children's Agency.* (Reproduced from *Child Welfare*, July and Nov. 1949.) Washington: The Bureau, 1950. 17 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

Readings on the Psychological Development of Infants and Children, prepared by Charlotte Del Solar and Milton J. E. Senn of the Child Study Center, Yale University, in collaboration with the Children's Bureau. Washington: The Bureau, 1950. 46 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

A bibliography.

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General

CARTWRIGHT, PHILIP W. *Survey of Income, Expenditures, and Savings Patterns, State of Washington, 1948.* Seattle: Published for the Institute of Labor Economics, University of Washington, by the University of Washington Press, 1950. 25 pp., and tables and charts. Processed.

HUEBNER, S. S. *Life Insurance.* (4th ed.) New York: Appleton-Century-Crofts, Inc., 1950. 599 pp. $4.50.

Includes chapters on disability insurance and on Government life insurance and old-age benefits.

INTERNATIONAL LABOR OFFICE. *Post-War Trends in Social Security.* (Reprinted from the *International Labour Review*, Vol. 59, June 1949, and Vol. 60, July–Sept. 1949.) Geneva: The Office, 1949. 83 pp. 25 cents.

SHALABY, MOHAMED M. *Rural Reconstruction in Egypt.* Cairo: Published for the Egyptian Association for Social Studies by Soc. Art Graphique, 1950. 54 pp.

Includes a discussion of the social and economic problems of rural Egypt.

"Social Security Agreements Between France and Luxembourg and Belgium and Luxembourg." *Industry*