THE OECD TAX-BENEFIT MODEL FOR TURKEY

Description of policy rules for 2019
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This version : May 2020

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Preface

This report provides a detailed description of the tax and benefit rules in the Turkey as they apply to individuals of working age and their dependent children. It also includes output from the OECD Tax-Benefit model (TaxBEN), which puts all these complex legal rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the net disposable income of families in different labour-market circumstances.

The report describes the policy rules that are relevant for the family, individual and labour market circumstances that are within the scope of the TaxBEN model. The Annex provides information on other cash benefits and taxes on employment incomes that can be relevant for some members of the working-age population, but are not included in the TaxBEN model.

TaxBEN is essentially a calculator of tax liabilities and benefit entitlements for a broad set of hypothetical families (“vignettes”), e.g. a married couple of 40 years old adults with two children aged 4 and 6. TaxBEN incorporates rules on the main taxes on employment income, social contributions paid by individuals and employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits as well as maternity and parental leaves benefits are included in the model for a sub-set of countries and years. The most important policy areas that are outside the scope of the model include taxes on wealth (e.g. taxes on immovable and unmovable properties, including local taxes), indirect taxes (e.g. VAT), early-retirement benefits, sickness benefits and in-kind transfers (e.g. free school meals, subsidised transport and free health care).

Users can access TaxBEN through a user-friendly web interface that allows calculating tax and benefit amounts for selected family and individual characteristics. Available characteristics include the age and number of children, the economic activity of family adult members, working hours, wage rates, unemployment duration, etc. The OECD has updated the model annually since 2001 for most OECD and EU countries.

Reading notes and further details on the scope and content of this report

- The reference date for policy rules described in this report is January 1, 2019.
- Guidelines for completing and updating this report are provided here.
- Further information on TaxBEN, OECD policy indicators based on TaxBEN, and references to reports and analytical uses of the TaxBEN model is available on the project website. A methodology document provides a full description of the assumptions underlying the model as well as the model’s parameters that users can change.
- The symbol in the text provides a link to a glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- In order to facilitate transparency between the policy descriptions and the associated code in the TaxBEN model, TaxBEN variable names are indicated in the text using the format [variable name], for instance: [AW] for the average wage.
The OECD tax-benefit model for Turkey: Policy rules in 2019

1. Reference wages

Average wage \([\text{AW}]\): The OECD tax-benefit model (\text{TaxBEN}) uses Secretariat estimates of the average full-time wage (available here).\(^1\) If Secretariat estimates are not available at the time this report, the TaxBEN model uses wage projections obtained by applying forecasted wage growth to the latest available wage estimate.\(^2\)

Minimum wage \([\text{MIN}]\): On the 1\(^{st}\) of January 2019, the annual statutory minimum wage was 30,700.8 TL. The annual minimum wage is computed by multiplying the minimum daily amount set by the law – 85.28 TL on the 1\(^{st}\) of January 2019 – by 30 and by 12, i.e. \(12 \times 30 \times 85.28\) TL.

2. Unemployment benefits

Variable name: \([\text{UB}]\)

Turkey provides an unemployment benefit based on a contributory insurance scheme according to the Unemployment Insurance Law, covered in Section 2.1. There were no other non-contributory and/or means tested unemployment benefits in 2019.

2.1. Unemployment Insurance (İşsizlik Sigortası)

TaxBEN variable names: \([\text{UI}_p; \text{UI}_s]\)

This is contributory benefit, not means-tested and not taxable.

Unemployment Insurance is a compulsory insurance that performs with insurance techniques, covering a proportion of the income loss due to unemployment, of those who have lost their jobs unintentionally without any fault, despite their will, ability, health and qualifications for work for a period of time.

The reference in the legislation is the Unemployment Insurance Law No.4447.

The Government, employers and the insured covered by the Law No. 4447 pay unemployment insurance premiums in order to finance all kinds of payments and service expenditure necessary for unemployment insurance. The unemployment premium is taken as 1\% from the insured person, 2\% from employer and 1\% from the government share from the premium based monthly gross income.

Persons under the scope of unemployment insurance are rated in the forty sixth article of Unemployment Insurance Law No.4447. According to this article insured persons are:

---

\(^1\) Average Wages are estimated by the Centre for Tax Policy and Administration at the OECD. For more information on methodology see the latest Taxing Wages publication. The national currency is the Türk Lirası (TL). Turkey has changed its national currency unit in 2005 (after 1 January 2005, 1YTL = 1 million TRL, after 1 January 2009, 1TL = 1 YTL).

\(^2\) Wage growth projections are based on OECD Economic Outlook for OECD countries and EU economic forecasts for non-OECD EU countries.
Those who are in the scope of (a)-clause of the first paragraph and the second paragraph of the fourth article of Law on Social Insurance and General Health Insurance numbered 5510;

Voluntarily insured paying unemployment insurance in the scope of the first paragraph of the fifty second article of the Law No. 5510, and the insured in the scope of the sixth additional article of the same Law; within those who work with part time labour contract according to law numbered 4857;

The insured persons who are subject to funds stated in temporary twentieth article of Law on Social Insurance numbered 506.

The following benefits and services are provided for unemployed insured persons by İŞKUR (Turkish Employment Agency):

- Unemployment insurance benefit;
- Universal Health Insurance premium payments required by the Law No. 5510;
- Assistance to finding a new job;
- Active labour services;
- Advisory services.

TaxBEN note: the OECD calculations include only the unemployment insurance benefit.

2.1.1. Eligibility conditions

Unemployment benefits are paid regardless of age, sex, marital status, etc. differences. Conditions and entitlements are the same for everyone.

Conditions of the Entitlement for Unemployment Benefit

- The contract of the insured should end without the will and the fault of the insured,
- Applying to İŞKUR personally or electronically, within 30 days as of the termination of the labour contract,
- Under the condition of working with a labour contract in the last 120 days before the labour contract ends, unemployment insurance premiums should be paid at least 600 days within the last 3 years.

The delay time of applications apart from force majeure is deducted from the duration of the entitlement.

2.1.2. Benefit amount

The daily unemployment benefit is 40% of the daily average gross earnings. Daily average gross earnings are calculated considering the earnings taken as basis for unemployment insurance premiums over the last 4 months. The amount of the unemployment benefit, calculated as described above, cannot exceed 80% of the daily gross minimum wage less the Stamp tax, whose (flat) rate in 2019 was 0.759% (see Section 8). As the daily gross minimum wage in 2019 was TL 85.28, the maximum daily unemployment benefit was 68.224 TL less 0.5178 TL of Stamp t, i.e. 67.706 TL (or 67.706*30=2031.19 TL per month). The unemployment benefit amount cannot be lower than 50% of the maximum benefit amount, i.e. 0.5*67.706 TL = 33.85 TL (or 33.85*30 TL = 1015.59 TL per month).

2.1.3. Benefit duration

Within the last 3 years before the termination of labour contract;
• Insured, unemployed persons who have worked with insurance and paid unemployment insurance premiums for 600 days receive payments for 180 days,
• Insured, unemployed persons who have worked with insurance and paid unemployment insurance premiums for 900 days receive payments for 240 days,
• Insured, unemployed persons who have worked with insurance and paid unemployment insurance premiums for 1080 days receive payments for 300 days.

There is no waiting period for those entitled to unemployment benefits.

2.1.1. Means test
The benefit is not means-tested.

2.1.2. Tax treatment
Unemployment benefits are subject to stamp taxes only.

2.1.3. Interactions with other components of the tax-benefit system
There are no interactions between unemployment insurance and other income support measures. Receiving unemployment insurance does not prevent eligibility for social assistance benefits as long as the Board of Trustees of the Social Assistance and Solidarity Foundation (SASF) approves the social assistance payment (see Section 3 for details).

2.1.4. Combining benefit receipt and employment/starting a new job
If the insured person takes up employment before the unemployment benefit expires and he/she becomes unemployed again before fulfilling again the conditions for receiving unemployment insurance, he/she continues to benefit from this right until the end of the unemployment benefit period he/she was entitled before the employment spell. However, if the person becomes unemployed again and fulfils the conditions prescribed in the Unemployment Insurance Law, his/her previous UI entitlement terminates and he/she receives the unemployment benefit that arises from this new entitlement.

Figure 1. Unemployment benefit entitlements
In 2019. By previous earnings, duration and days of unemployment insurance premiums.

Panel A
Panel B

Note: results for a 40-year-old person. Panel A refers to a person with 600 days of insurance premiums and two months of benefit receipt. Panel B refers to a person with previous earnings equal of TL 58622. Benefit entitlements are shown in annualized terms (i.e. benefit amounts multiplied by 12). Policies for 2019. Source: OECD Tax-benefit model, 2019.
2.2. Unemployment assistance

The main purpose of unemployment assistance (UA) programmes is to encourage financially the labour market reintegration of jobseekers who have exhausted or are not eligible to the standard unemployment insurance programme (Section 2.1). As a result, eligibility requirements for UA programmes often include conditions on previous work history and/or exhaustion of previous unemployment insurance entitlements. UA benefits are usually non-contributory and means-tested, that is, receipt is conditional on the family’s income and assets being below a certain level.

According to the definition above, in Turkey 2019, there was no UA programme. Instead, special social aid is provided to households who lack social security and considered to be in need by the Foundation Board of Trustees (Law No. 3294, see also Section 3).

3. Social assistance and housing benefits

The purpose of Guaranteed Minimum Income (GMI) and, more generally, Social Assistance (SA) programmes is to reduce the risks of income poverty and social exclusion. As a result, low income is the main eligibility requirement that characterize these benefits, whereas previous work history and activation requirements are less relevant (this is the main difference between SA and UA programmes, see also Section 2.2.).

Turkey does not currently have a national Guaranteed Minimum Income programme. Social Assistance in Turkey consists of many different categorical programmes that provide income support and access to in-kind services to specific population groups.

Social assistance in Turkey is managed at the national level by the Social Assistance Directorate General (SADG) under the Ministry of Family, Labour and Social Services. Social assistance is implemented by 1,003 locally based Social Assistance and Solidarity Foundations (SASFs) which are under the supervision of provincial and sub-provincial governors.

In 2019, there were 42 national social assistance programmes for different disadvantaged population groups (of any age). Out of these 42 programmes, 17 are regular programmes that cover 85% of the overall budget for social assistance. Table 1 shows the number of beneficiaries and the amount allocated for regular social assistance programmes.

<table>
<thead>
<tr>
<th>Programme</th>
<th>Number of Beneficiaries</th>
<th>Amount allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Family Assistance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Assistance</td>
<td>768,033 (Households)</td>
<td>263,021,937</td>
</tr>
<tr>
<td>Coal Assistance</td>
<td>2,084,746 (Households)</td>
<td>29,217,640</td>
</tr>
<tr>
<td>Assistance for Widowed Women</td>
<td>268,907</td>
<td>737,264,275</td>
</tr>
<tr>
<td>Assistance for Needy Soldier’s Family</td>
<td>101,104</td>
<td>178,200,825</td>
</tr>
<tr>
<td><strong>Education Assistance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conditional Education Assistance</td>
<td>2,517,680</td>
<td>643,102,505</td>
</tr>
<tr>
<td><strong>Health Assistance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conditional Health Assistance</td>
<td>1,225,402</td>
<td>382,235,800</td>
</tr>
<tr>
<td><strong>Law 2022 Monthly Pensions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old-Age Pensions</td>
<td>709,590</td>
<td>2,900,132,244</td>
</tr>
<tr>
<td>Disabled Pension</td>
<td>621,934</td>
<td>3,022,881,205</td>
</tr>
<tr>
<td><strong>Home Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Care Support</td>
<td>513,276</td>
<td>6,675,740,565</td>
</tr>
<tr>
<td><strong>Health Assistance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Universal Health Insurance</td>
<td>6,945,909</td>
<td>8,973,991,905</td>
</tr>
</tbody>
</table>
The reminder of this section describes the Social Assistance programmes that are included in the OECD tax-benefit model (TaxBEN). While the other regular cash transfers are a relevant part of the Turkish social protection system they are outside the scope of the OECD tax-benefit model.3

### 3.1. Conditional Cash Transfer (CCT) for Education and Health Assistance

The CCT programme provides regular cash assistance to the poorest 6% of the population that cannot send their children to school or have regular health controls due to the economic difficulties. The CCT programme consists of following three components:

a. Conditional Pregnancy Assistance (before and at birth)

b. Conditional Health Assistance (for pre-school children between 0 and 6 years)

c. Conditional Education Assistance (for children in school age)

#### 3.1.1. Eligibility conditions

**Pregnancy Assistance** *(can you please add the name in Turkish?)*: Recipient are required to visit the clinics according to the table given by the Ministry of Health. Follow-up periods are as follows: (i) regular check-ups are required every month until the birth, (ii) birth shall be given in hospital, and (iii) post-birth check-ups are required following the birth.

**Health Assistance** *(Şartlı Sağlık Yardımı)*: Recipients have to go to the clinic regularly, according to the table given by the Ministry of Health. Health follow-up periods are as follows: (i) children at 0 to 6th months require regular check-ups every month, (ii) children of 7th to 18th months require regular check-ups every two months, and (iii) children of 19th to 72nd months require regular check-ups every six months.

**Education Assistance** *(Şartlı Eğitim Desteği)*: Recipients are required to attend the school regularly every month. The condition for the receipt of educational support regularly is (i) to attend the school by 80% of the total education days monthly, and (ii) not to repeat the same grade more than once.

Payments of the three components of the CCT programme are stopped in the following circumstances:

3 For instance, the ‘food’ and ‘coal’ social assistance programs are cash benefits whose entitlements are not defined by a national law, but are decided case by case by the Board of Trustees of the SAS Foundations, depending on the socio-economic characteristics of the claimant and the local conditions.
- If the family changes address without informing the relevant SASF where they made the first claim.
- If the child or the entitled parent pass away.
- If the situation of vulnerability, as determined by the Board of Trustees disappears.
- If the household receives a regular income paid by the Social Security Institution, such as death pension, retirement pension, and disability pension.
- If SASF staff find out that one or more household members participate in registered employment activities that are within the scope of the ‘long term’ insurance branches listed in Section 7.1. However, if the recruitment of the household member receiving CCT occurs through the ‘Employment Incentive Program’ (Section 3.1.6) managed by the Turkish Employment Agency (İŞKUR), the household continues to receive CCT payment for 12 additional months. Assistance is not terminated also if the employment activity is within the scope of a ‘short term’ insurance branches, e.g. in case of apprentices, internships and İŞKUR trainees.

As of 2016, social assistance benefit recipients who are considered “employable” have to register with the public employment agency (İŞKUR). If the registered social assistance recipient refuses to participate in the active labour market programme suggested by the İŞKUR, or refuses to take up a job after three job offers, social assistance payments are stopped for one year.

*TaxBEN note:* the OECD calculation model assumes that the eligibility conditions described in this section are met and that families comply with all the relevant requirements.

### 3.1.2. Benefit amount

**Pregnancy Assistance:** Pregnant women receive 35 TL per month on condition that they undergo regular check-ups during the nine months of pregnancy and in the two months after birth. Pregnant women are given also 70 TL if they deliver at the hospital.

*Taxben note:* this component of the CCT programme is not included in the OECD calculations.

**Health Assistance:** Recipients of this assistance should bring their child to the medical checks and follow-ups specified by the Ministry of Health. Payments are made to accounts opened directly on behalf of the mother. Table 2 provides details on the follow-up periods and the amount received for each visit. The Benefit is paid as many times as the number of eligible children in the family.

<table>
<thead>
<tr>
<th>Follow-up period determined by the Ministry of Health (measured in days of the newborn)</th>
<th>Follow-up period measured in months of the newborn</th>
<th>Amount of the Assistance to be calculated</th>
<th>Amount of the Assistance to be paid (in TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just after birth (in the hospital)</td>
<td>1-1</td>
<td>35-TL x1</td>
<td>35,00</td>
</tr>
</tbody>
</table>

---

*Although the presence of a person in the household who participate in registered employment prevents the household from benefitting from regular-central social assistances (including the CCT), the household can still benefit from periodical assistances if the following conditions apply. The per-capita household income is less than 1/3 of the minimum wage and the SASF board of Trustees decides that the household is in need.*
0-48 hours after birth (in the hospital)  

<table>
<thead>
<tr>
<th>3-25</th>
<th>2-2</th>
<th>35-TL x1</th>
<th>35.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-55</td>
<td>3-3</td>
<td>35-TL x1</td>
<td>35.00</td>
</tr>
<tr>
<td>60-85</td>
<td>4-4</td>
<td>35-TL x1</td>
<td>35.00</td>
</tr>
<tr>
<td>90-115</td>
<td>5-6</td>
<td>35-TL x2</td>
<td>70.00</td>
</tr>
<tr>
<td>120-150</td>
<td>7-8</td>
<td>35-TL x2</td>
<td>70.00</td>
</tr>
<tr>
<td>175-210</td>
<td>9-12</td>
<td>35-TL x4</td>
<td>140.00</td>
</tr>
<tr>
<td>365-394</td>
<td>13-16</td>
<td>35-TL x4</td>
<td>140.00</td>
</tr>
<tr>
<td>481-570</td>
<td>17-22</td>
<td>35-TL x6</td>
<td>210.00</td>
</tr>
<tr>
<td>661-750</td>
<td>23-28</td>
<td>35-TL x6</td>
<td>210.00</td>
</tr>
<tr>
<td>841-930</td>
<td>29-34</td>
<td>35-TL x6</td>
<td>210.00</td>
</tr>
<tr>
<td>1021-1110</td>
<td>35-44</td>
<td>35-TL x10</td>
<td>350.00</td>
</tr>
<tr>
<td>1321-1530</td>
<td>45-56</td>
<td>35-TL x12</td>
<td>420.00</td>
</tr>
<tr>
<td>1681-1890</td>
<td>57-72</td>
<td>35-TL x16</td>
<td>560.00</td>
</tr>
</tbody>
</table>

Total: 72 months 2,520.00 TL

Note: The amount per visit remained the same between 2014 and April 2020. From April 2020, the amount has increased to 45 TL.

**TaxBEN note:** TaxBEN assumes that the family made 12 visits per year during the first three years of the new born, then 10 visits per year during the 4th and 5th year of the new born, and 8 visits during the 6th and 7th year of the new born.

**Education Assistance:** Payments are made in general to the mother of the child. The amount paid to female pupils and students of secondary education is higher in order to increase the schooling for girls and the transition rates from primary to secondary education. Monthly payment amounts are shown in table 3. The benefit is paid as many times as the number of eligible children in the family.

### Table 3 – Amounts of the Education Assistance component (2019)

<table>
<thead>
<tr>
<th></th>
<th>Monthly amount per student (in TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male Primary Education</td>
<td>35</td>
</tr>
<tr>
<td>Female Primary Education</td>
<td>40</td>
</tr>
<tr>
<td>Male High School</td>
<td>50</td>
</tr>
<tr>
<td>Female High School</td>
<td>60</td>
</tr>
</tbody>
</table>

Note: Amounts remained the same from 2014 until April 2020. From April 2020, the amounts will increase to TL 45, 50, 55 and 75 respectively.

**TaxBEN note:** As primary education (*İlköğretim*) in Turkey is for children between 6/7 and 14/15, TaxBEN assumes that children start primary education at the age of 6 (included) and complete the cycle at the age of 14 (excluded). In line with this assumption, TaxBEN assumes that secondary education (*Lise*) starts at the age of 14 (included) and ends at the age of 18. As TaxBEN does not control for the age of children, amounts are calculated as follows: for primary education (35+40)/2 TL. For secondary education (50+60)/2 TL.

### 3.1.3. Means test

The targeting mechanism for the CCT programme follows a “verified means test” approach that uses information from many different institutions to identify the real need for social aid. The process starts with the claimant who fills in an application form in a SASF office. The form includes demographic and socio-economic characteristics of the claimant and
their household. During this step, the claimant gives also his/her consent to further inquiries via the Integrated Social Assistance System (ISAS). In parallel with these inquiries, the household receives a visit by a SASF social worker who will verify the information provided by the claimant and collect additional information about the household’s level of vulnerability. The final decision about the need for social aid is made by the Board of Trustees of the competent SASF and will take into account all the information collected throughout the process.\(^5\)

A central component of the ‘verified means test’ approach is the amount of economic resources available at the household level. If the monthly per capita household income is above one third of the net minimum wage (i.e. the gross minimum wage provided in Section 1 less the Stamp tax described in Section 8), the family is not eligible for the CCT.

The method used for calculating the monthly per capita household income is based on the General Health Insurance Income Test (GHSIT). The test considers all possible income sources of all household members: employment income (earnings), movable and immovable properties (and the rights arising from them), the monthly average of any other regular cash benefits received (home care, scholarship, etc., see Table 1), the monthly average of unemployment insurance (Section 2).

When calculating the monthly earnings, the minimum living relief described in Section 8.1.4 is not taken into account. All incomes are considered before income tax and social contribution payments. The sum of incomes for all household members is then divided by the number of household members and if the value is below one third of the net minimum wage the family can apply for the CCT.

\textit{TaxBEN note}: the OECD calculations assume a positive decision of the Board of Trustees. The main element of the ‘verified means test’ that enters the OECD calculations is the General Health Insurance Income Test, which is calculated following the rules described in this Section.

3.1.4. Tax treatment

CCT amounts are not taxable.

3.1.5. Interactions with other components of the tax-benefit system

Recipients of unemployment insurance (Section 2.1) and other social assistance benefits can receive the CCT as long as the Board of Trustees approves the CCT payment. Preconditions for this approval are:

- Complying with the requirements listed in Section 3.1.1;

\(^5\) During the home visit, the SASF social worker collects additional information on the household’s level of vulnerability. This information is used to perform a ‘proxy means test’ whose results are used to inform the final decision from the SASF Board of Trustees. The proxy means test uses data from the Income and Living Conditions and Household Budget Surveys. Using questions that resemble those available in the questionnaires of these Surveys, the information collected by the social workers allows to calculate a score of the household’s level of need and to compare it with the rest of the population (using data from the Surveys and an ad-hoc statistical procedure). In practice, households are ranked from lowest to highest score, and a cut-off point is determined based on the available budgetary envelope. If the selected household is below the cut-off point, the household ‘passes’ the proxy means test.
• Passing the ‘verified’ meant test described in Section 3.1.3.

**Figure 2. Unemployment insurance and conditional cash transfers**

By previous earnings of the jobseeker and family size

Note: Calculations for a jobless lone parent eligible for unemployment insurance (blue area) and conditional cash transfer for health (yellow area). Results assume that the family has no other income sources. Calculations in Panel A assume one child of 2 years old. Calculations in Panel B assume two children aged 2 and 4, respectively. The calculation of the CCT amount for health assume that the parent made 12 visits to the doctor during the year for the child of 2 years old, and 10 visits for the child of 4 years during the same period.

Results in Panel A show that the income test for the lone parent with one child is binding when the per-capita household income is above one third of the net minimum wage. Results in Panel B show that a lone parent receiving unemployment benefits and with two children will pass the CCT income test even when entitled to the maximum unemployment insurance amount.


3.1.6. **Combining benefit receipt and employment/starting a new job**

In general, the CCT programme is not compatible with regular employment activities made within the scope of the ‘long term’ insurance branches listed in Section 7.1.6 If SASF staff detect regular employment and social insurance payments to long-term insurance branches made by any members of a household that receives the CCT benefit, the CCT is terminated.

However, if the employment activity is offered by İŞKUR (the Turkish Employment Agency) within the programme ‘Activating the Relation between Social Assurances and Employment’ (the programme is active since 14.07.2014), the CCT payment is not terminated. CCT recipients involved in this programme have also other advantages:

• “Job Guidance Assistance”. A transfer paid maximum 4 times in a year for expenses such as transportation, state of health and headshot photo needed for the job interview and to go to work (40 TL-120 TL).

• “Assistance for Start Working”. A lump sum payment for social assistance benefit recipients who take up employment (788 TL in 2019).

---

6 The transfer is not terminated in case of employment within the scope of short-term insurance branches, e.g. apprentices, internships and İŞKUR trainees.
- People with a regular job are assigned primarily heating, education and food assistance.
- If a CCT recipient takes up employment through the İŞKUR within the employment incentive programme, CCT is not terminated and continues for 12 months, even if the per capita household income during these months is above 30% of the net minimum wage (see Section 3.1.3).

**TaxBEN note:** the OECD calculations assume that new employment activities of CCT recipients are made within the programme ‘Activating the Relation between Social Assistances and Employment’. Consequently, the person who takes up employment will receive CCT payments for the subsequent 12 months and the lump sum ‘Assistance for Start Working’ of 788 TL.

**Figure 3. Conditional cash transfers for education and health, by age of the child**

Basic amounts (blue bars) and ‘into-work’ supplements related to the programme “Assistance for Start Working” (orange bars)

Note: calculations for a two-adult family with one child. Amounts of the CCT for health are calculated assuming that the family made 12 annual visits to the doctor between the 12 and 24 months of the child, 10 annual visits between 36 and 48 months of the child, and 8 annual visits between the 60 and 72 months of the child.

CCT for education are available only when the children enters the primary school. According to the TaxBEN note of section 3.1.2, children start school when they are six years old. As a result, a family with a child between 60 and 72 months (third bar of Figure 3) can receive CCT for both education and health during 12 months. The family with a child of 96 month receive only CCT for education.

The orange bars show the amounts that a family would receive if one of the parents took employment within the programme ‘Activating the Relation between Social Assistances and Employment’. The amounts are calculated during the second month of employment and include the lump-sum payment ‘Assistance for Start Working’.


### 3.2. Housing benefit

The goal of the housing benefits that are within the scope of the OECD TaxBEN model is to reduce the rental costs for families who live in privately rented accommodations. Cash support for housing costs other than rent, e.g. heating and water bills, is outside the scope of the TaxBEN model. Similarly, TaxBEN does not include other housing benefits such as those for the construction of housing, the purchases of owner-occupied housing, or the repayment of interests on owner-occupied housing. In-kind support for families in social housing through below-market rents is also excluded.
Turkey does not currently have a cash housing benefit programme that aims at reducing the rental costs for families who live in privately rented accommodations.

4. Family benefits

Variable name: [FB]

There were no national family benefit programmes in Turkey in 2019. Instead, categorical programmes provide cash support to specific families with children. For instance, according to the Civil Service Act No. 657, married civil servants and widowed mothers may receive family benefits if they meet relevant eligibility requirements. Given the specific population groups targeted by these programmes, they are not included in TaxBEN.

According to the law no. 6637 dated 27/03/2015, Turkish citizens receive a birth grant of 300 TL for the first baby born alive, 400 TL for the second baby and 600 TL for the third and the following babies. This benefit is not included in TaxBEN as birth grants are outside the scope of the model.

Finally, children in material need can receive Conditional Cash Transfer (CCT) for Health (Şartlı Sağlık Yardımı) and Education (Şartlı Eğitim Desteği). As CCT is a social assistance programme, it is described in Section 3.

5. Net costs of Early Childhood Education and Care

Both public and private institutions provide childcare and preschool education services in Turkey. These services are provided with the approval of the Ministry of National Education (MoNE) or the Ministry of Family, Labor and Social Services (MFLSS).

According to the Regulation “Establishment and Operation Principles of Private Creche and Day Care Centers”, the MFLSS gives the opening permission for public crèche and day care centres for children between 0-68 months. MoNE gives the opening permission for both public and private kindergartens and provides direct services with its own nursery class, practice classrooms and independent kindergartens.

According to the Regulation on Pre-School and Primary Education Institutions, nursery classes opened within primary schools and practice classrooms within vocational high schools serve 57-68 months old children; independent kindergartens serve children aged 36-68 months. Childcare providers approved by the MoNE do not provide services for children between 0-35 months.

5.1. Gross childcare fees

Variable names: [TRcc_cost]

According to the Regulation on Pre-School and Primary Education Institutions, preschool education is free of charge in public preschool education institutions. However, fees can be charged for the educational materials, food and cleaning services. This fee is determined at the school level by a commission in April. When deciding the monthly fee, the school commission takes into account several factors, including the services offered and the economic situation of the neighbourhood. When setting the level of childcare fees, the school commission has to take into account also that the fee cannot be set to a level that will prevent the promotion and development of pre-school education and to force the economic situation of the parents the fee. More specifically, the monthly fee cannot be
higher than the maximum fee determined by the provincial school directorates taking into account the provincial wage levels.

The commission has also the possibility of not requesting any fees. According to e-School data of 2017-2018 educational year, fees were positive for 32% of preschool children.

According to the administrative data acquired from local managers in 2018-2019 educational year, the monthly fee ranged between 0 TL (min.) and 200 TL (max.).

*TaxBEN note:* the OECD calculations assume that parents pay a fee for the educational materials, food and cleaning services. As 32% of parents pay a fee and the range of fees is between 0 and 200 TL per month, the fee that is used in the TaxBEN model is calculated as $0.32 \times 200 = 64$ TL per month. Assuming 12 months of usage, the annual fee is equal to 768 TL.

### 5.1.1 Discounts for part-time usage

There are no discounts in the fees paid for the educational materials, food and cleaning services for part-time usage.

### 5.2 Childcare benefits

Variable name: `[cc_benefit]`

The OCED TaxBEN methodology defines as ‘childcare benefits’ any income support measures for parents of pre-school children that depend *explicitly* on the use of centre-based childcare services. In other words, a family that does not use centre-based childcare services is NOT eligible for this type of income support. In general, childcare benefits take any of the following forms:

- Reductions of childcare fees, including free provision, applied *directly* by the childcare centre to reduce childcare costs for parents. Typically, these reductions are not applied to everybody, but only to those parents who are in difficult economic circumstances (e.g. low-income families, large families, lone parents, families with disabled members, etc.).

- Childcare allowances paid by local / national authorities to parents who use centre-based childcare services. This support can take the form of conditional / unconditional cash transfers as well as vouchers to purchase childcare services, or supplements to other benefits (e.g. social assistance, disability and family benefits).

- Tax concessions for family’s expenses related to the use of centre-based childcare.

#### 5.2.1 Reductions of childcare fees and free provision

Children of martyr, war cripple, veteran and deprived parents as 1/10 rate of their capacity can benefit from public childcare centres free of charge provided that they certify their status (see Art 68(4) of the Regulation on Preschool Education Institutions of the MoNE). Families in these difficult situations can benefit from this provision, although there is a quota of 10% of the school capacity. Disabled children are given priority for the exemption.

In addition, children from disadvantaged groups, e.g. children under protection in institutions affiliated to MoFLSS, children living with their single parent and children living with their disabled parents, can benefit from public childcare centres free of charge.

In private kindergartens, day care centres and children's clubs there is a quota of 3% that applies to disadvantaged groups. To claim the exemption in private kindergartens, families
have first to certify their socio-economic status (from the neighbourhood unit or district governorship), then they submit the claim to the kindergarten which will select the most disadvantaged families.

*TaxBEN note:* the OECD calculations assume that the child goes to a public institution and that children living with their single parent do not pay childcare fees.

### 5.2.2. Childcare allowances for formal centre-based care

Within the scope of the “Supporting Registered Employment of Women Through Institutional Childcare Services Project” project, 10,250 mothers who meet the requirements and send their children to pre-school education or nursing institution (creche, kindergarten or day care centre) will benefit from 100 euros monthly for the specified periods.

Within the scope of the project “Direct Grant Operation for the Promotion of Registered Women’s Employment through the Support of Trained Caregivers (EDU-CARE)”, 3700 working mothers who meet the necessary conditions and employ certified caregivers receive a monthly grant of € 200.

Allowance for Preschool Stationery: Stationery expenses of the preschools in the neighbourhood having densely economically disadvantaged people are reimbursed from this allowance. An allowance of 10 million TL was used for this purpose in 2018-2019 educational year.

*TaxBEN note:* these measures are outside the scope of the TaxBEN model and are not included in the OECD calculations.

Conditional Cash Transfer for Education (Section 3): The families receive cash support on the condition that the child has attended school regularly. This benefit is classified as Social Assistance in the OECD calculations. Approximately 44,000 preschool children benefited from this support in the school year 2018-2019. All Syrian children, regardless of their families’ economic situation, take this support.

### 5.2.3. Childcare allowance for children NOT using childcare centres

Turkey does not provide income support measures whose eligibility depends explicitly on NOT using formal centre-based childcare. Examples of these type of programmes are “home-care” and “child-rising” allowances, whose eligibility often requires one of the parent to stay at home looking after the child.

### 5.2.4. Tax concessions for childcare expenditures

In Turkey, childcare costs cannot be used to reduce the tax liabilities of parents who purchase childcare services.

### 6. Employment-conditional benefits

Employment-conditional (“in-work”) benefits are policies whose primary goal is to boost employment by increasing the financial rewards for remaining in, or taking up, low-paid work. As the name of “in-work” and “employment-conditional” benefits suggests, these benefits are conditional on the following key requirements:

1. Being employed in a low-paid job. Note that this requirement excludes from the definition of in-work benefits workfare programmes and other ‘work-first’ policies
that enforce participation in work activities in exchange of benefit payments. Note also that benefits that are available to low-income individuals regardless of their work status cannot be defined as ‘in-work’ benefits;

2. Working a certain number of hours and/or earning more than a certain earnings threshold.

In-work benefits may be received via either the tax administration (e.g. through tax credits) or the benefit administration (e.g. through standalone benefit programmes and/or top ups to other cash benefits).

In-work benefits in some countries are only available following a recent transition into work and for a predefined period after taking up employment. These type of benefits are referred to as transitional ‘into work’ benefits, according to the OECD TaxBEN methodology. They take the form of lump sum payments at the beginning of the new job or regular payments for a predefined period.

According to the definitions above, there are currently no ‘in-work’ benefits in Turkey. However, the programme ‘Activating the Relation between Social Assistances and Employment’ provides an ‘into-work’ benefit for recipients of social assistance benefits. See Section 3.1.5 for details.

7. Social security contributions and payroll taxes

Insurance benefits in Social Insurance and Universal Health Insurance Law No. 5510 are financed with premiums collected from employees and employers. The following rules apply to the case of employees who are employed through a service contract according to Article 4/a of Law No. 5510 (as opposed to independent insurance holders (4/b) and public servants (4/c)).

According to the Law, the lower limit of the daily earnings considered for the calculation of premiums to be collected and benefits to be granted is equal to one thirtieth of the monthly minimum wage (Section 1). The upper limit is 7.5 times the lower limit (Table 7.1). The reference minimum wage used for calculating upper and lower limits is determined once a year in January. There is no difference in terms of marital status or sex and the premiums are calculated according to the gross income.

Table 7.1. Lower and upper income limits used for the calculation of maximum and minimum social security contributions in 2019:

<table>
<thead>
<tr>
<th>Lower Limit for the monthly Income (TL)</th>
<th>Upper Limit for the monthly Income (TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.28x30=2558.4</td>
<td>85.28x30x7.5=19188</td>
</tr>
</tbody>
</table>

For employees whose gross earnings are below or above the limits outlined in Table 7.1, the social security contribution rates described in Section 7.1 and 7.2 are applied to the lower and upper limits listed in Table 7.1

For individuals working part-time at the minimum wage, the lower limit of Table 7.1 is adjusted according to the number of full-time equivalent working days. For instance, if the person works 4 hours a day throughout the month, the total number of monthly working hours would be: 4 hours*30 days=120 hours. The related full-time equivalent working days to be notified to the insurance company would be 120/7.5=16, which implies a lower limit for the monthly income of 85.28x16= 1364.48 TL.
7.1. Employee social security contributions

Monthly premium amounts paid according to the premium rates valid for ‘long term’ insurance branches, by insurance holders who are employed by one or more employers through a service contract (4/a) with minimum wage in 2019 are as follows:

<table>
<thead>
<tr>
<th>‘Long term’ insurance Branches</th>
<th>Premium Rate</th>
<th>Monthly Minimum Premium Amounts Paid by the Insurance Holder (TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalidity, Old-age and Survivors Insurance</td>
<td>9</td>
<td>$2558.4 \times 9% = 230.256</td>
</tr>
<tr>
<td>Universal Health Insurance</td>
<td>5</td>
<td>$2558.4 \times 5% = 127.92</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>1</td>
<td>$2558.4 \times 1% = 25.584</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>383.76</strong></td>
</tr>
</tbody>
</table>

7.2. Employer contributions

Monthly premium amounts paid according to the premium rates valid for insurance branches, by an employer who employs an employee older than 16 through a service contract (4/a) with minimum wage in 2019, are as follows:

<table>
<thead>
<tr>
<th>Insurance Branches</th>
<th>Premium Rate</th>
<th>Monthly Minimum Premium Amounts Paid by Employers (TL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term Insurance branches</td>
<td>2</td>
<td>$2558.4 \times 2% = 51.168</td>
</tr>
<tr>
<td>Invalidity, Old-age and Survivors Insurance</td>
<td>11</td>
<td>$2558.4 \times 11% = 281.424</td>
</tr>
<tr>
<td>Universal Health Insurance</td>
<td>7.5</td>
<td>$2558.4 \times 7.5% = 191.88</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>2</td>
<td>$2558.4 \times 2% = 51.168</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22.5</strong></td>
<td><strong>575.64</strong></td>
</tr>
</tbody>
</table>

According to Council of Ministers Decree 2017/9865 (dated 06.02.2017) 100 TL per month (3.33 TL per day, 1200 TL per year) of the employers social security contributions are covered by the Government for employees whose daily gross earnings are below 110 TL (39600 per year). This rule was in force in January 2018 but not in 2019.

In 2019, there were fourteen incentives for employer shares of insurance premiums.

1. General five-point premium reduction,
2. Five-point premium reduction in universal health contributions for insured taken to abroad,
3. Additional six points reduction, from 2013, for the workforce located in 51 selected provinces determined by taking into account the social- development index,
4. Incentive for regional investments,
5. Incentive for disabled,
6. Cultural investment incentive,
7. Incentive for research and development investment,
8. Incentive for hiring employees who deserved unemployment revenue,
9. Incentive for women nd youth employment,
10. Incentive in case of employment of workers who have on-the-job training,
11. Incentive for additional employment,
12. Incentive for unemployment insurance,
13. Incentive in case of employment of workers who benefit from social benefits
14. Incentive in case of employment of workers who benefit from social services

TaxBEN note: the OECD calculations consider only the general five-point premium reduction. As a result, the overall employer social security premium rate used in the OECD calculations is 17.5%.

Employers who employ a social assistance recipient or an unemployment insurance recipient receive a subsidy in the form of a reduction in the employer’s social security contributions. The amount of this subsidy in 2019 is as follows:

- For unemployment insurance recipients: 857.06 TL = 33.5%*2558.4, where 35% is the rate applied by the unemployment insurance fund (20% of long term insurance + 12.5% of universal health insurance + 1% short term insurance).
- For social assistance recipients: 524.47 TL = 127.92 TL (5%*2558.4 paid by the Ministry of Treasury and Finance) + 396.55 TL (15.5%*2558.4 – paid by the Ministry of Family, Labour and Social Services.

7.3. Payroll taxes
None.

8. Taxes

Variable name: [IT]

The income tax system in Turkey is individual. Income taxes are levied by the central government only.

8.1. Personal income tax

8.1.1. Tax allowances

Variable name: [ALLOW_p; ALLOW_s]

Standard tax allowances:

Employee social security contributions are deductible from gross earnings. Contributions to public pension funds established by law are deductible.

Non-standard tax allowances:

- Reliefs for disabled people according to Law 4842;
- Legal deductions for public institutions;
- Reliefs for personal life insurance premiums;
- Membership payments made to labour unions.

None of these non-standard reliefs are modelled in TaxBEN.
8.1.2. Tax base

Variable name: [TAX_INC_p; TAX_INC_s]

The personal income tax base is gross employment income minus the tax allowance for employee social security contributions.

Unemployment benefit as well as social assistance benefits are not part of the personal income tax base.

8.1.3. Income tax schedule

Variable name: [IT_I_p; IT_I_s]

The personal income tax schedule in 2019 is as follows:

<table>
<thead>
<tr>
<th>Taxable income (TL)</th>
<th>Tax on lower threshold (TL)</th>
<th>Tax on excess amount above lower threshold (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 18 000</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>18 000 up to 40 000</td>
<td>2 700</td>
<td>20</td>
</tr>
<tr>
<td>40 000 up to 148 000</td>
<td>7 1000</td>
<td>27</td>
</tr>
<tr>
<td>148 000 and over</td>
<td>36 260</td>
<td>35</td>
</tr>
</tbody>
</table>

8.1.4. Tax credits

Variable name: [ml_allow_p; ml_allow_s]

Standard tax credits:

Minimum Living Relief: The calculation of the minimum living relief is based on the annual gross amount of the minimum wage for employees older than 16 at the beginning of the calendar year in which the income is obtained, multiplied by the following rates:

- 50% for the taxpayer him or herself;
- 10% for the spouse who neither works nor has an income;
- 7.5% for each of the first two children;
- 10% for the third child;
- 5% for each additional child.

This total amount is then multiplied by the rate (15%) which is applied to the first income bracket of personal income tax (PIT) schedule stated in Article 103 of PIT Law, and then minimum living relief is calculated by offsetting 1/12 of the allowance amount against monthly calculated tax due on employment income. Any excess is non-refundable.

Non-standard tax credits: None.

8.2. Stamp tax

Variable names: [Stamp_p; Stamp_s]

The stamp tax base is gross earnings plus unemployment benefits. The Minimum Living Relief from Section 8.1.4 does not apply. The tax rate was 0.759% in 2019.
9. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for Turkey 2019 (Figure 4). TaxBEN by default produces the following outputs for a range of family types and individual characteristics:

- Net household income (the **black line** in Figure 1) and
- Net household income components (**coloured stacked areas** in Figure 1)

The [project website](#) provides direct access to the TaxBEN web calculator, which allows users to customize outputs by choosing from a wide range of family types, individual and labour market characteristics.

Figure 1 shows outputs for the following four scenarios:

- Household income by percentage of the 2019 Average Wage (**Panel A**);
- Household income by unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel B**);
- Household income by previous gross earnings levels for a jobseeker claiming unemployment benefits (**Panel C**);
- Household income by previous employment record, for a jobseeker claiming unemployment benefits (**Panel D**).

The stacked areas in Figure 1 shows the household income components. Note that each component can contain more than one benefit programme. The table of content of this report describes which benefit is included in each category.

Results in Figure 1 refer to a couple with two children. Adults are both 40 years old whereas children are 4 and 6 years old respectively. Social assistance and housing benefit supplements are assumed to be available in all the four scenarios provided that the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.

Panel A assumes that one of the two adult members (the ‘second adult’, using the TaxBEN terminology) is out of work and not eligible for unemployment benefits (e.g. because they have expired) whereas the other adult member (so-called ‘first adult’) is employed full-time and full-year at different earnings levels ranging between 0 and 200% of the Average Wage (AW). When earnings of the first adult are precisely 0% of the AW this person is assumed to be out of work without receiving unemployment benefits but claiming social assistance, as applicable.

Panels B to D assume that the second adult is out of work and not eligible to unemployment benefits whereas the first adult is also out of work and claiming unemployment benefits. In Panel B and C the first adult is assumed to have a ‘long’ employment record of 264 consecutive months before the job loss. The x axis in Panel B measures the time of benefit receipt, starting from the first month. The x axis in Panel C shows the amount of previous gross earnings (before any social contribution payments). Results in Panels C and D refer to the 2nd month of unemployment benefit receipt whereas Panel D consider the case of previous earnings equal to the average Wage. Previous earnings in Panel B are also equal to the average wage.
Figure 4. Selected output from the OECD tax-benefit model, 2019

Couple with two children.

Source: Calculations based on the OECD tax-benefit model, 2019 policies
Annex: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in Turkey that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

Job Loss Compensation (iş kaybi tazminati)

In the scope of the Law No. 4046 on Privatization Exercises, the employees whose employment contracts are terminated due to privatization or preparation of their organization for privatization, downsizing or suspension of the operations of their organization partially or completely, their organization being closed down or liquidated temporarily or permanently are entitled to receive job loss compensation as required by the labour laws or collective labour agreements to which they are subject to.

Persons, who are entitled to receive both job loss compensation and unemployment benefits at the same time, are paid the job loss compensation primarily. Job loss compensation applications are regarded as unemployment benefit applications as well.

Eligibility Conditions

Eligibility conditions for receiving job loss compensation are as below;

- Having worked for at least 550 days in the privatized workplace,
- Termination of labour contract in a way to be entitled to receive severance pay,
- Not receiving old age pension.

Benefit Duration

According to the Law No. 4046, a job loss compensation of;

- 90 days for at least 500 days uninterrupted employment contract,
- 120 days for 1100 days of uninterrupted employment contract,
- 180 days for 1650 days of uninterrupted employment contract,
- 240 days for 2200 days of uninterrupted employment contract,

is granted to those in privatized organizations.

Amount of Payment

The amount of job loss compensation is two times of the net daily minimum wage. The disabled are paid four times of the net daily minimum wage as job loss compensation. The amount of job loss compensation in 2019 is 3,658 TL. This amount is applied as 7,316 TL for the disabled. Unemployment insurance payment is not subject to a tax cut.
Short-Time Working Benefit (kisa çalıșma ödeneği)

In the event that weekly working time is temporarily significantly shortened or operations in work place is completely or partially suspended due to general economic, sectorial or regional crises and forces majeure, short term working can be done in work place for a period not longer than three months. During this period when short time working is applied, short time working benefit for days off is paid to employees.

In order to deserve the right for short time working benefit, the employee should meet the conditions to have the right for unemployment insurance except for the termination of labour contract. Payments made as short time working benefit are deducted from unemployment benefit duration determined in the beginning.

Amount

Amount of daily short time working benefit is 60% of daily gross average earning calculated by taking into consideration the earnings of the insured for the last 12 months subject to premium. This allowance cannot exceed 150% of the gross amount of monthly minimum wage. The calculated short time working benefit is exempt from any tax payment, including social security contributions, except the Stamp tax.

In 2019, under the short time working benefit, the minimum payment was 1,523,39 TL, while the highest payment was 3,808,47 TL (i.e. 150% the gross minimum wage in 2019, minus the Stamp tax).

Duration

The duration of short time working benefit cannot be longer than 3 months. The law can extend the duration of short time working benefit up to six months and determine whether it is deducted from unemployment benefit.

Interactions with other components of the tax-benefit system

The short-time working benefit is exempt from any tax payment, including social security contributions, except for the Stamp tax. Receiving the short-time work benefit does not prevent receipt of regular social assistance benefits as long as the family meets the relevant eligibility criteria and the Board of Trustees of the competent SASF approves.

Combining benefit receipt and employment/starting a new job

If the worker receiving the short-time working benefit start a new job, the short-time working benefit is terminated.

Regular Cash Aid Program for Women Whose Spouse Died

Regular Cash Assistance Program for Women Whose Husbands are dead became effective in April 1, 2012 upon the decision of Social Assistance and Solidarity Fund (SASF) Board dated 25.08.2011 and no.6.

Women whose husband (in civil marriage) are dead, who are currently not married, not covered by any social security system and whose needy and vulnerable situation is determined by the decision of the Board of Trustees of SASF, could benefit from this assistance.
There is not any age requirement for the women who wants to benefit from this assistance. Also, there are no statutory duties to furnish maintenance as stated in the related provisions of the Turkish Civil Code. Women being divorced from their husband before he dies cannot benefit from the program. If the husband is dead while the divorce suit still continues, woman could benefit from the assistance.

If the woman, who applies to the assistance, lives in separate houses from her children and only benefit from their health insurance, could benefit from the assistance on condition that she is determined as needy and vulnerable by the Board of Trustees of SASF.

Due to the fact that food and accommodation expenses of the detainees and the convicted are covered by the Law no.1721, women in such situations could not benefit from the assistance. Moreover, women who stay in residential home could not benefit from the assistance because their basic needs are met by this home.

In general, every two months 550 TL (275 TL per months) regular cash payment is made to the beneficiaries within the scope of the assistance. Precise periods of payments and the rate of increase are specified by the Fund Board.

**Public Workfare Programs (PWP) (Toplum Yararına Programlar)**

PWP are the programs aiming at short-term employment and training of the unemployed in the times of high unemployment, by realization of a work or a service for public good, directly or with a contractor. These activities are usually carried out to prevent the unemployed recorded in the Institution from losing their working routine and discipline, and experiencing financial difficulties due to long-term unemployment.

**Eligibility:**

1. To participate in PWP, the applicant must meet the following conditions:
   - Being unemployed and registered in Turkish Employment Agency
   - At the age of 18 or older
   - Not receiving retirement, or invalidity pension
   - Not being student (except for open education high schools and faculties).

2. In case of high demand for PWP, participants are determined by drawing before a notary public. Provincial Directorate shall specify in the notice which methods indicated below would be used for the selection of participants. The selected method will be used to identify both the main participants and substitute participants, which at least half of the main participants.
   - Notary draw method
   - List method (determination of applicants deemed appropriate as a result of interview or job and career counselling)
   - Eighty percent by the notary draw, twenty percent by the list method.

It is essential that Participants are selected from the region closest to the place where Public Workfare Programs are implemented. In the process of determining the participants within the applicants, two lists are being prepared based on the status of the applicants. The disadvantaged groups in employment, mentioned below, placed in the first list and the
remaining applicants are placed in the second list. The applicants in the second list will not be assessed before the assessment of all the applicants are completed in the first list. All the groups below belong to the first list and there is no order of priority among these groups.

a) Women
b) Individuals 35 Years and Over
c) People with disabilities
d) Ex-convicts
e) Wounded in a way to not getting disability in the fight against terrorism

**Benefit amount:**

Worker’s wage expense is calculated according to the current gross minimum wage of a worker who is over 18 years old and working in the industry sector, and which is composed of wage, tax and social security payments. (Participants will receive a wage during PWP, which will be calculated over the current minimum wage, according to their duration of work.)

Gross Minimum Wage paid to workers over the age of 16 for the period of January 1st – December 31st 2019 is 2,558.40 TL

**Tax treatment:**

Public Workfare Programs are taxed over gross wage.

**Benefit duration:**

1. Maximum duration of the programs is 9 months.
2. Programs can be arranged as full-time (45 hours per week).

**Other sectorial social assistance programmes**

In 2019, there were 42 national social assistance programmes for different disadvantaged population groups. Out of these 42 programmes, 17 are regular programmes that cover 85% of the overall budget for social assistance. Table 1 in Section 3 shows the number of beneficiaries and the amount allocated for each regular social assistance programme. While section 3 provides a through description of the main cash benefit programmes (CCT, food and coal support measures), a complete description of the remaining regular programmes is beyond the scope of this report.