

**THE REPUBLIC OF TURKEY  
MINISTRY OF LABOUR AND SOCIAL SECURITY**

**35th DETAILED COUNTRY REPORT  
PREPARED BY  
THE GOVERNMENT OF THE REPUBLIC OF TURKEY  
IN ACCORDANCE WITH THE ARTICLE 74  
OF THE EUROPEAN CODE OF SOCIAL SECURITY  
(Reference Period: 01.07.2011-30.06.2016)**

**July, 2016**

## INTRODUCTION

I. The laws related to the implementation of the obligations stated in the adopted Parts of the European Code of Social Security by Turkey are listed below.

- Social Insurances and Universal Health Insurance Act No. 5510
- Social Insurance Act No. 506
- Agricultural Workers' Social Insurance Act No. 2925
- Act No. 1479 on the Social Insurance Organization for Craftsmen, Artisans and the Other Self-employed
- Act No. 2926 on the Social Insurance for the Persons Working on Their Own Account and on Their Own Behalf in Agriculture
- Act No. 5434 on the Retirement Fund of the Republic of Turkey
- Act No. 1005, Act No. 2913 and Act No. 3292 (Persons who Receive Pensions from Medal Pensions Scheme and National Service Scheme)
- Civil Servants' Law No. 657
- Law on Payment of Pension to the Old Aged Persons (65 years old and over) who are Destitute, Infirm and without any means of Support No. 2022. (Non-contributory benefits under this Law have been transferred to the relevant Ministry with the Decree Law on Organization and Duties of the Ministry of Family and Social Security No. 633, dated 20.06.2011.)

The Social Security Institution was founded by way of incorporating various social security schemes responsible for the implementation of the provisions of different laws serving several segments of the employees under a single roof pursuant to the Act No. 5502 on the Foundation of Social Security Institution published in the Official Gazette on 20.05.2006.

The Social Insurance Institution (SII), established by the Act No. 4958 (for the insured wage earners, who work on a service contract and to whom Act No. 506 and Act No. 2925 apply), the Social Security Organization for Artisans and the Self-Employed (BAĞ-KUR) established by the Act No. 1479 (for the self-employed independent workers to whom Act No. 1479 and Act No. 2926 apply) and the Retirement Fund of the Republic of Turkey (ES-for the governmental officials to whom Act No. 5434, Act No. 657, Act No. 1005, Act No. 3292 and Act No. 2022 apply) have been transferred to the Social Security Institution with all their functions as from 20 May 2006.

The first General Assembly of the Social Security Institution was held on 24 November 2006 and its board was formed by elected members and thereby forming the Institution's board.

With the formation of its board, the Social Security Institution has gained the status of legal entity; the legal entities of the three transferred institutions (Social Insurance Institution, Social Security Organization for Artisans and the Self-Employed and the Retirement Fund of the Republic of Turkey) were abolished.

The Social Security and Universal Health Insurance Act No. 5510, which was drafted within the framework of sustainability to ensure uniformity regarding norms and standards for the insurance branches provided by former social security schemes incorporated under the

Social Security Reform and in their practice, was passed in the Grand National Assembly of Turkey (TGNA) in 2006 and came into force on 01 October 2008.

Thereby, the social security reform, which thoroughly re-regulates the social security system in our country, started to be implemented.

The aim of the Social Security and Universal Health Insurance Act No. 5510 is to secure the rights of all citizens (also including foreigners, stateless persons and asylum seekers provided that they meet certain conditions) in respect of social insurances and universal health insurance, regulate the procedures and the principals regarding the functioning of social insurances and the universal health insurance, determine the beneficiaries and the rights that will be granted, the terms and conditions to benefit from those rights, the methods of financing and provision of those rights.

As the Social Security and Universal Health Insurance Act No. 5510 took effect on 01 October 2008, the Acts No. 506, 2925, 1479, 2926 and 5434 were repealed. Therefore, with the Act No. 5510, a single regulation has been introduced for the execution of social security services to be provided by the Social Security Institution established by way of incorporation of different social insurance schemes which had been in charge of the implementation of the provisions of different Acts serving different employee groups.

As a result of the introduction of the Act No. 5510 and the repealing of the Acts No. 506, 2925, 1479, 2926 and 5434, the definitions for the insured persons under the coverage of those schemes have been entirely changed.

The provision of the Provisional Article 1 of the Act No. 5510 reads as below:

“Individuals who had been subject to the Social Insurance Act No. 506 and Agricultural Workers’ Social Insurance Act No. 2925, before the effective date of this Act are considered in the scope of sub-clause (a) of the first clause of Article 4 of this Act; those who had been subject to the Act No. 1479 on the Social Insurance Organization for Craftsmen, Artisans and the Other Self-employed, and the Act No. 2926 on the Social Insurance for the Persons Working on Their Own Account and on Their Own Behalf in Agriculture before the effective date of this Act are considered in the scope of sub-clause (b) of the first clause of Article 4 of this Act; individuals who had been subject to the Act 5434 on Retirement Fund of the Republic of Turkey before the effective date of this Act are considered in the scope of sub-clause (c) of the first clause of article 4 of this Act.”

According to Article 4 of the Act No. 5510, the statutes of insured persons who have started to work for the first time as from October 2008 are redefined as follows:

- Persons employed by one or more employers on the basis of a service contract (4/a),
- Persons who work independently on their own account and not bound by a service contract (4/b),
- Persons employed in the public administrations (4/c).

Accordingly, the insured persons who had been subject to Acts No. 506 and 2925 before the beginning of October 2008, the insured persons who had been subject to Acts No. 1479 and 2926 before the beginning of October 2008 and the insured persons who had been subject to Acts No. 5434 before the beginning of October 2008 are deemed to be covered under 4/a, 4/b and 4/c of the Act No.5510 respectively.

## **PART I**

### **General Provisions**

#### **Article 2**

The accepted Parts of the European Code of Social Security by Turkey are listed below:

- Part II: Medical Care
- Part III: Sickness Benefit
- Part V: Old Age Benefit
- Part VI: Employment Injury Benefit
- Part VIII: Maternity Benefit
- Part IX: Invalidity Benefit
- Part X: Survivors' Benefit

This report covers the information on the implementation of the envisaged obligations stemming from the provisions of the articles under the accepted Parts.

Turkey has not accepted the Unemployment Benefit (Part IV) and Family Benefit (Part VII) of the Code.

## Article 6

The number of the economically active except for the voluntary insurance as of the years 2011-2015:

	2011	2012	2013	2014	2015
i. Employed on the basis of a service contract (4/a)	11.486.897	12.366.554	12.902.818	13.675.363	14.462.847
-Subject to the Act No. 506: (Statutory Insured)	11.030.939	11.939.620	12.484.113	13.240.122	13.999.398
-Subject to the Act No. 2925 (Agricultural Insured)	124.911	85.717	62.988	46.996	40.615
-Subject to the Act No. 3308 (Apprentices)	298.180	306.617	320.730	359.948	392.908
-Subject to Group Insurance (Lawyers-Notaries)	32.867	34.600	34.987	28.297	29.926
ii. Subject to schemes (Prov. Art. 20 of the Act No. 506)	119.682	122.655	130.825	136.482	140.111
iii. Self-employed (4/b)	3.002.517	2.967.357	2.760.917	2.827.633	2.833.035
iiii. Employees in public administrations (4/c)	2.554.200	2.662.608	2.823.400	2.910.148	3.032.971
<b>Total</b>	<b>17.163.296</b>	<b>18.119.174</b>	<b>18.617.960</b>	<b>19.549.626</b>	<b>20.468.964</b>

The number of the economically active under voluntary insurance as of the years 2011-2015:

	2011	2012	2013	2014	2015
i. 4/a Insured *	60.237	160.783	233.521	292.474	339.375
ii. 4/b Insured	270.780	195.557	166.333	116.204	104.999
<b>Total</b>	<b>331.017</b>	<b>356.340</b>	<b>399.854</b>	<b>408.678</b>	<b>444.374</b>

*\*Since the 4/a voluntary insured is registered under 4/b on 01.03.2011, in this item the number of insured part time employees were given for 01.03.2011 and after. Among the insured part time employees, there have been the insured who pays insurance premiums less than 30 days in a month, the insured whose transfer from 4/a voluntary insured to 4/b is still going on in accordance with the Law No. 5510, agricultural, commercial vehicle owners and commercial vehicle owners who pays unemployment insurance, artists and artists who pay unemployment insurance.*

The population groups under the coverage of the Social Security Institution as of 2011-2015 and their proportion in general population:

<b>2011</b>	<b>Legislation Applies</b>	<b>Number of the insured</b>	<b>Pension and income receivers</b>	<b>Member of Family*</b>	<b>Total</b>	<b>Proportion to the overall population (%)**</b>
<b>Employees on the basis of a service contract (4/a)</b>	A-Subject to the Act No. 506:					
	-Statutory insured	11.030.939	5.727.917	21.024.423	37.783.279	50,56
	-Part time Employees	60.237	0	0	60.237	0,08
	-Group Insurance	32.867	0	0	32.867	0,04
	B-Subject to the Law No. 3308: Number of Apprentices	298.180	0	0	298.180	0,40
	C-Subject to the Law No. 2925: Agricultural insured	124.911	49.383	0	174.294	0,23
	<b>Total</b>	<b>11.547.134</b>	<b>5.777.300</b>	<b>21.024.423</b>	<b>38.348.857</b>	<b>51,32</b>
<b>Self-employed (4/b)</b>	A-Subject to the Law No. 1479	2.151.520	1.831.238	7.081.524	11.064.282	14,81
	B-Subject to the Law No. 2926	1.121.777	550.171	2.653.970	4.325.918	5,79
	<b>Total</b>	<b>3.273.297</b>	<b>2.381.409</b>	<b>9.735.494</b>	<b>15.390.200</b>	<b>20,60</b>
<b>Public Employees (4/c)</b>	A-Subject to the Law No. 5434:	2.554.200	1.856.273	5.588.399	9.998.872	13,38
	B-Subject to the Law No. 1005, 3292:	0	49.158	0	49.158	0,07
	C-Subject to the Law No. 2022.***	0	0	0	0	0,00
	<b>Total</b>	<b>2.554.200</b>	<b>1.905.431</b>	<b>5.588.399</b>	<b>10.048.030</b>	<b>13,45</b>
<b>Schemes under the provisional article 20 of the Act No. 506</b>		<b>119.682</b>	<b>84.890</b>	<b>146.318</b>	<b>350.890</b>	<b>0,47</b>
<b>General Total</b>		<b>17.494.313</b>	<b>10.149.030</b>	<b>36.494.634</b>	<b>64.137.977</b>	<b>85,83</b>

(\*)The number of the members of families included in all the tables in this report is estimated figures based on the calculation using the data provided by the Institution.

(\*\*)The number of 2015 general population is taken as 78.741.053 as the general census declared by the TÜİK.

(\*\*\*) The transfer process to the Ministry of Family and Social Policies has been completed for the ones who receive income in accordance with the Law No. 2022 as of the date 01.11. 2012.

2012	Legislation Applies	Number of the insured	Pension and income receivers	Member of Family*	Total	Proportion to the overall population (%)**
Employees on the basis of a service contract (4/a)	A-Subject to the Act No. 506:					
	-Statutory insured	11.939.620	5.972.032	18.461.326	36.372.978	48,09
	- Part time Employees	160.783	0	0	160.783	0,21
	-Group Insurance	34.600	0	0	34.600	0,05
	B-Subject to the Law No. 3308: Number of Apprentices	306.617	0	0	306.617	0,41
	C-Subject to the Law No. 2925: Agricultural insured	85.717	54.399	0	140.116	0,19
	<b>Total</b>	<b>12.527.337</b>	<b>6.026.431</b>	<b>18.461.326</b>	<b>37.015.094</b>	<b>48,94</b>
Self Employed (4/b)	A-Subject to the Law No. 1479	2.106.062	1.886.242	6.996.714	10.989.018	14,53
	B-Subject to the Law No. 2926	1.056.852	583.378	2.555.985	4.196.215	5,55
	<b>Total</b>	<b>3.162.914</b>	<b>2.469.620</b>	<b>9.552.699</b>	<b>15.185.233</b>	<b>20,08</b>
Public Employees (4/c)	A-Subject to the Law No. 5434:	2.662.608	1.886.681	5.793.700	10.342.989	13,68
	B-Subject to the Law No. 1005, 3292:	0	48.550	0	48.550	0,06
	C-Subject to the Law No. 2022. ***	0	0	0	0	0,00
	<b>Total</b>	<b>2.662.608</b>	<b>1.935.231</b>	<b>5.793.700</b>	<b>10.391.539</b>	<b>13,74</b>
Schemes under the provisional article 20 of the Act No. 506		122.655	86.103	147.282	356.040	0,47
<b>General Total</b>		<b>18.475.514</b>	<b>10.517.385</b>	<b>33.955.007</b>	<b>62.947.906</b>	<b>83,23</b>

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2013	Legislation Applies	Number of the insured	Pension and income receivers	Member of Family*	Total	Proportion to the overall population (%)**
Employees on the basis of a service contract (4/a)	A-Subject to the Act No. 506:					
	-Statutory insured	12.484.113	6.201.008	17.784.126	36.469.247	47,57
	-Part time Employees	233.521	0	0	233.521	0,30
	-Group Insurance	34.987	0	0	34.987	0,05
	B-Subject to the Law No. 3308: Number of Apprentices	320.730	0	0	320.730	0,42
	C-Subject to the Law No. 2925: Agricultural insured	62.988	59.224	0	122.212	0,16
	<b>Total</b>	<b>13.136.339</b>	<b>6.260.232</b>	<b>17.784.126</b>	<b>37.180.697</b>	<b>48,50</b>
Self Employed (4/b)	A-Subject to the Law No. 1479:	1.998.796	1.821.114	6.742.359	10.562.269	13,78
	B-Subject to the Law No. 2926:	928.454	590.699	2.313.723	3.832.876	5,00
	<b>Total</b>	<b>2.927.250</b>	<b>2.411.813</b>	<b>9.056.082</b>	<b>14.395.145</b>	<b>18,78</b>
Public Employees (4/c)	A-Subject to the Law No. 5434:	2.823.400	1.923.921	6.098.997	10.846.318	14,15
	B-Subject to the Law No. 1005, 3292:	0	47.996	0	47.996	0,06
	C-Subject to the Law No. 2022. ***	0	0	0	0	0,00
	<b>Total</b>	<b>2.823.400</b>	<b>1.971.917</b>	<b>6.098.997</b>	<b>10.894.314</b>	<b>14,21</b>
<b>Schemes under the provisional article 20 of the Act No. 506</b>		<b>130.825</b>	<b>87.213</b>	<b>149.167</b>	<b>367.205</b>	<b>0,48</b>
<b>General Total</b>		<b>19.017.814</b>	<b>10.731.175</b>	<b>33.088.372</b>	<b>62.837.361</b>	<b>81,96</b>

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2014	Legislation Applies	Number of the insured	Pension and income receivers	Member of Family*	Total	Proportion to the overall population (%)**
Employees on the basis of a service contract (4/a)	A-Subject to the Act No. 506:					
	-Statutory insured	13.240.122	6.446.065	18.447.686	38.133.873	49,08
	-Part time Employees	292.474	0	0	292.474	0,38
	-Group Insurance	28.297	0	0	28.297	0,04
	B-Subject to the Law No. 3308: Number of Apprentices	359.948	0	0	359.948	0,46
	C-Subject to the Law No. 2925: Agricultural insured	46.996	63.648	0	110.644	0,14
	<b>Total</b>	<b>13.967.837</b>	<b>6.509.713</b>	<b>18.447.686</b>	<b>38.925.236</b>	<b>50,10</b>
Self Employed (4/b)	A-Subject to the Law No. 1479:	2.078.678	1.840.980	7.013.947	10.933.605	14,07
	B-Subject to the Law No. 2926:	865.159	611.907	2.199.810	3.676.876	4,73
	<b>Total</b>	<b>2.943.837</b>	<b>2.452.887</b>	<b>9.213.757</b>	<b>14.610.481</b>	<b>18,80</b>
Public Employees (4/c)	A-Subject to the Law No. 5434:	2.910.148	1.958.401	6.278.643	11.147.192	14,35
	B-Subject to the Law No. 1005, 3292:	0	47.336	0	47.336	0,06
	C- Subject to the Law No. 2022. ***	0	0	0	0	0,00
	<b>Total</b>	<b>2.910.148</b>	<b>2.005.737</b>	<b>6.278.643</b>	<b>11.194.528</b>	<b>14,41</b>
<b>Schemes under the provisional article 20 of the Act No. 506</b>		<b>136.482</b>	<b>88.359</b>	<b>152.959</b>	<b>377.800</b>	<b>0,49</b>
<b>General Total</b>		<b>19.958.304</b>	<b>11.056.696</b>	<b>34.093.045</b>	<b>65.108.045</b>	<b>83,80</b>

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(\*\*\*)The transfer process to the Ministry of Family and Social Policies has been completed for the ones who receive incomes in accordance with the Law No. 2022 as of the date 01.11. 2012.

<b>2015</b>	<b>Legislation Applies</b>	<b>Number of the insured</b>	<b>Pension and income receivers</b>	<b>Member of Family*</b>	<b>Total</b>	<b>Proportion to the overall population (%)**</b>
<b>Employees on the basis of a service contract (4/a)</b>	A-Subject to the Act No. 506:					
	-Statutory insured	13.999.398	6.771.861	18.930.236	39.701.495	50,42
	-Part time Employees	339.375	-	-	339.375	0,43
	-Group Insurance	29.926	-	-	29.926	0,04
	B-Subject to the Law No. 3308: Number of Apprentices	392.908	-	-	392.908	0,50
	C-Subject to the Law No. 2925: Agricultural insured	40.615	68.046	-	108.661	0,14
	<b>Total</b>	<b>14.802.222</b>	<b>6.839.907</b>	<b>18.930.236</b>	<b>40.572.365</b>	<b>51,53</b>
<b>Self Employed (4/b)</b>	A-Subject to the Law No. 1479:	2.140.178	1.879.938	7.225.093	11.245.209	14,28
	B-Subject to the Law No. 2926:	797.856	663.545	2.105.786	3.567.187	4,53
	<b>Total</b>	<b>2.938.034</b>	<b>2.543.483</b>	<b>9.330.879</b>	<b>14.812.396</b>	<b>18,81</b>
<b>Public Employees (4/c)</b>	A-Subject to the Law No. 5434:	3.032.971	2.002.355	6.525.051	11.560.377	14,68
	B-Subject to the Law No. 1005, 3292:	-	46.607	-	46.607	0,06
	C-Subject to the Law No. 2022. ***	-	-	-	-	0,00
	<b>Total</b>	<b>3.032.971</b>	<b>2.048.962</b>	<b>6.525.051</b>	<b>11.606.984</b>	<b>14,74</b>
<b>Schemes under the provisional article 20 of the Act No. 506</b>		<b>140.111</b>	<b>89.483</b>	<b>156.978</b>	<b>386.572</b>	<b>0,49</b>
<b>General Total</b>		<b>20.913.338</b>	<b>11.521.835</b>	<b>34.943.144</b>	<b>67.378.317</b>	<b>85,57</b>

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## **PART II**

### **Medical Care**

#### **Article 8**

The ailment that causes the incapacity of the insured employee other than work accident or occupational disease defined by Law is considered morbid condition (state of illness).

#### **Article 9**

The persons deemed to have universal health insurance were regulated by Article 60 of the Law No. 5510. The main requirement to be covered by universal health insurance is to reside in Turkey. The person who does not reside in Turkey is not included in the scope of universal health insurance.

Accordingly, of the individuals having residence in Turkey;

- Those employed on the basis of service contracts (4/a),
  - The self-employed (4/b),
  - Public servants (4/c),
  - People on voluntary insurance,
  - Of the individuals who are not deemed to be insured under the above mentioned legislation,
- 
- Citizens whose domestic income per capita is less than one third of the minimum wage, to be determined by using the testing methods and data to be laid down by the Institution, considering their expenses, movable and immovable properties and their rights arising from such and regardless income detection, children who do not complete the age of 18 and do not have universal health insurance or any dependents of the Turkish citizens.
  - Individuals who have the application for the international protection or status owner and people known as heimatlos,
  - Individuals who receive pension pursuant to the provisions of Law No. 2022 dated 1/7/1976 on Allowance for Deprived, Helpless and Forlorn Turkish Citizens Attained the Age of 65.
  - Individuals who receive honorary pension pursuant to the provisions of Law on Entitlement of Honorary Pension from National Service Category for Individuals Awarded with Medal for Service in the Turkish War of Independence No. 1005 dated 24/2/1968.
  - Individuals who receive pension pursuant to Law on Entitlement of National Service Pension No. 3292 dated 28/05/1986.
  - Individuals who receive pension pursuant to Law on Cash Compensation and Pension No. 2330 dated 03/11/1980.

- Individuals who benefit free-of-charge from protection, care and rehabilitation services pursuant to Law on the Institution of Social Services and Child Protection No. 2828 dated 24/5/1983 and children who do not complete the age of 18 from Turkish citizens who do not have mother and father.
- Individuals who receive disability veteran pension and those who receive pension under Law on Fighting against Terrorism,
- Individuals who are charged with duty pursuant to paragraph two of Article 74 of Village Law No. 442 dated 18/3/1924 and individuals who are receiving pension pursuant to appended Article 16 of the same Law,
- Individuals who receive pensions pursuant to the provisions of Law on the Entitlement of Pension for Athletes Awarded with World Olympic and European Championship, and for Their Families No. 2913 dated 11/10/1983
- provided that principle of reciprocity is also taken into consideration, individuals of foreign countries who have residence permit and are not insurance holders under legislation of a foreign country,
- Individuals who benefit from unemployment benefit pursuant to Law No. 4447 dated 25/8/1999 and from short work benefit pursuant to relevant laws,
- Individuals who receive income or pension pursuant to this Law or to the social security laws preceding this Law,
- Citizens who are out of the above items and who do not have the right to benefit from health insurance at a foreign country shall be deemed to be holders of universal health insurance.

Population groups benefiting from health insurance within the scope of Universal Health Insurance as of the years 2011- 2015:

<b>Population Groups</b>		<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Those working with a service contract (4/a)	The insured	11.547.134	12.527.337	13.136.339	13.967.837	14.802.222
	Those on income or pension	5.777.300	6.026.431	6.260.232	6.509.713	6.839.907
	Family members	21.024.423	18.461.326	17.784.126	18.447.686	18.930.236
	<b>Total</b>	<b>38.348.857</b>	<b>37.015.094</b>	<b>37.180.697</b>	<b>38.925.236</b>	<b>40.572.365</b>
Self-employed (4/b)	The insured	3.273.297	3.162.914	2.927.250	2.943.837	2.938.034
	Those on income and pension	2.381.409	2.469.620	2.411.813	2.452.887	2.543.483
	Family members	9.735.494	9.552.699	9.056.082	9.213.757	9.330.879
	<b>Total</b>	<b>15.390.200</b>	<b>15.185.233</b>	<b>14.395.145</b>	<b>14.610.481</b>	<b>14.812.396</b>
Public Servants (4/c)	The insured	2.554.200	2.662.608	2.823.400	2.910.148	3.032.971
	Those on income and pension	1.856.273	1.886.681	1.923.921	1.958.401	2.002.355
	Family members	5.588.399	5.793.700	6.098.997	6.278.643	6.525.051
	<b>Total</b>	<b>9.998.872</b>	<b>10.342.989</b>	<b>10.846.318</b>	<b>11.147.192</b>	<b>11.560.377</b>
<b>General Total</b>		<b>63.737.929</b>	<b>62.543.316</b>	<b>62.422.160</b>	<b>64.682.909</b>	<b>66.945.138</b>

While the population group benefiting from the Institution's health care benefits in 2014 was 64.682.909, the same number for the year 2015 has reached up to 66.945.138 and this group constitutes approximately 85% of the overall population.

Except those in the above mentioned population groups, people who doesn't turn the age of 18, in need of care, in urgent situation, in occupational accident-disease situations, preventive health services, maternity, in state of war and situations of natural disaster, reportable epidemic illness, are taken under the coverage of benefitting from health services through the Act No. 5510, regardless of having of any premium debts or having completed 30 days of premium payments.

## **Article 10**

Pursuant to Law No. 5510, to benefit from the universal health insurance and the provided health care services and other rights is a right regarding the insured and their dependents under universal insurance, and for the Institution, financing those services and rights is an obligation.

Health care services are provided for the insured and their dependents under the universal health insurance.

The health care services and other rights to be provided and the amount of contributions received from the persons covered by this law cannot be related.

In accordance with the Law No. 5510, the health-care services to be financed by the Institution in order to ensure that the health of persons with universal health insurance and their dependents are maintained, that they regain their health in case of sickness, that the necessary health-care services are provided to them as a result of work accident and occupational disease, sickness and maternity and that the incapacity status is eliminated or reduced, are as follows:

- Protective health-care services for individuals irrespective of their being sick as well as protective health care services for preventing addiction to substances harmful for human health.
- In case of sickness, inpatient or outpatient examination by a medical doctor, clinical examinations required for the diagnosis upon request of a medical doctor, laboratory examinations and analyses and other diagnostic methods, medical operations and treatments to be applied based on the diagnosis, patient follow-up and rehabilitation services, health-care services for organ, tissue and stem cell transfer and treatment, emergency health-care services, medical care and treatments to be applied by health professionals pursuant to relevant laws based on the decision of medical doctors.
- Due to maternity, inpatient or outpatient examinations of a medical doctor, clinical examination required for the diagnosis upon request of a medical doctor, laboratory examinations and analyses and other diagnostic methods, medical operations and treatments to be applied based on the diagnosis, patient follow-up, uterus discharge, medical sterilization and emergency health-care services, medical care and treatments to be applied by health professionals pursuant to relevant laws based on the decision of medical doctors.

In case of sickness, mouth and tooth examination whether inpatient or outpatient, clinical examination required for the diagnosis of the mouth and tooth diseases upon request of a dentist, laboratory examinations and analyses and other diagnostic methods, medical operations and treatments to be applied based on the diagnosis, tooth extraction, conservative tooth and root canal treatment, patient follow-up, dental prosthetic applications, denture implementations, emergency health-care services related with mouth and tooth diseases, determined amount of orthodontic dental treatment of the individuals who do not complete the age of 18.

- The person with universal health insurance, married without children, if female for herself, if male for his wife,
  - After medical treatments, it is found by the health committees of health-care service providers authorized by the Institution that they cannot have children via normal medical methods but may have children via auxiliary reproduction methods,
  - the individual is over 23 and under 39,
  - certificated by health committees of health-care services authorized by the Institution that no result has been obtained from other treatment methods within the last three years,
  - the medical centre where the operation is made is in contract with the Institution,
  - the individual or the dependent of such a person had a universal health insurance for at least five years with 900 days of premiums being paid.

If the above mentioned conditions are fulfilled simultaneously and in case the treatment is not possible with another medical method and the treatment is found medically compulsory by the health committees of health-care service providers authorized by the Institution, the auxiliary reproduction method treatments are limited to three trials maximum.

- In connection with the medical treatments to be provided according to the above paragraphs, blood and blood products, bone marrow, vaccine, medication, orthosis, prosthesis, medical equipment and tools, medical devices for personal use, medical consumables, supply of medical consumables having treating capacity, their implementation and maintenance, restoration and replacement at the end of the warranty period.

On the other hand, upon the positive opinion of the Ministry of Health, the treatment of the insured under the universal health insurance and his/her dependents can be provided abroad in the absence of treatment in the country and if they meet the procedures set out by the Institution.

The amount of contributory payments to be made to the health services by the insured under the universal health insurance and their dependents:

- Contributory payment is not received from the examination made by the physician and dentist in the first step health service providers.
- The amount of contribution pay that will be implemented due to the examination by physician and dentist made in the other health service providers is indicated below:
  - At Secondary and tertiary official health facilities 5 TL,
  - At private health institutions 12 TL

However, provided that the case is documented with a medical report, contribution pay is not received for the chronic diseases indicated in the Chronic Diseases List which is set out by the Institution that the contribution payment will not be received from the outpatient examination made by the physician and dentist. Moreover, except for the health services that can be billed on the institution under the name of “Green field examination”, contribution payment for examination is not received from health services provided in the emergency services.

A 10% contribution is charged of the cost of extracorporeal prosthesis and orthosis prescribed for the persons who receive a pension or an allowance from the Institution and their dependents and 20% of the cost from the active social insured and their dependents.

However, the amount of the contribution charged cannot exceed 75% of the gross minimum wage at the date of the purchase of extracorporeal prosthesis and orthosis. Each prosthesis and orthosis is taken separately when calculating this 75% upper limit.

A 10% contribution is charged of the cost of medicine prescribed at outpatient treatment of the persons who receive a pension or an allowance from the Institution and their dependents and 20% of the cost from the social insurant and their dependents.

- Moreover for every medical prescriptions; contribution pay is received such as;
  - 3 TL for the medicines obtained up to three boxes (including 3 boxes)
  - 1 TL for each additional boxes of medicine obtained to the three boxes.

Each item is considered as one box regardless of the number of boxes for injectable forms with serum, nutritional products and magisterial.

Provided that the case is documented with a medical report, for the diseases in the “list of medicines exempt from the patient contribution pay” contribution pay is not implemented for the medicines indicated in the list and is not taken into account for the calculation of box/item.

- Contribution pay is not received from the medicines given for the inpatient treatments.
- A 30% contribution is charged for the first trial and, 25% for the second trial and %20 for the third trial based on the determined cost of assisted reproduction treatments.

Contribution pay is not received from the insured suffered from work accident or occupational disease for the health services provided due to their situations.

## **Article 11**

The conditions in order to benefit from health-care services were regulated by Article 67 of the Law No. 5510.

According to this Article;

In order to benefit from health-care services for the universal health insurance holder and his/her dependents, it is obligatory to have paid health insurance premiums for the total of



30 days within the last year prior to the date of application to the relevant health-care service provider.

For the self-employed universal health insurance holder (4/b) and his/her dependents, besides the obligation of having paid health insurance premiums for the total of 30 days within the last year prior to the date of application to the relevant health-care service provider, the condition of not having any premiums debts for over 60 days as of the date of application.

Furthermore, for the universal health insurance holders and their dependents to benefit from health-care services and other rights, it is obligatory to present identity card, driver's license, marriage certificate, passport or photographed health card document issued by the Insurance Institution at the time of application to health-care service providers, except for the emergency cases. On the other hand, irrespective of the conditions of entitlement to health-care benefits provided by the universal health-care insurance pursuant to the Law No. 5510, the following individuals have the opportunity to benefit from unconditional health-care benefits.

Accordingly; for

- Those who are below 18 years old,
- Those who are medically in need of another person,
- Emergency situations,
- Incidents of traffic accidents
- Work accidents and occupational diseases,
- Contagious diseases compulsory to be reported
- Protective health-care services,
- Inpatient and outpatient medical care and treatments due to maternity.
- Disaster and war cases and incidents of strike and lock-out.

conditions for entitlement are not sought.

## **Article 12**

There is no provision to terminate the medical assistance provided by the universal health insurance. Health care services continue until the patient recovers.

The universal health insurance holders, either they are working on the basis of service contract (4/a) or as self-employed (4/b) or in public administrations (4/c), shall benefit from universal health insurance for a period of ten days following the termination date of compulsory insurance.

If such individuals have 90 days of compulsory insurance within one year prior to the date when they lose their insurance, then they and their dependents shall keep benefiting from health-care services for a period of 90 days.

In case of losing the conditions for being an insured person under universal health insurance, the ongoing health care services due the treatment continue to be provided until the patient recovers.

## PART III

### Sickness Benefit

#### Article 14

According to the Law, the diseases that cause the incapacity of the insured people working on the basis of a service contract (4/a) and as self-employed (4/b), other than occupational diseases and work accidents are considered state of sickness.

#### Article 15

The insured people working on the basis of a service contract (4/a) and as self-employed (4/b) are the ones who are protected regarding temporary incapacity allowance.

Those protected regarding the temporary incapacity and those who received temporary incapacity allowance between the years 2011-2015:

	Persons covered(*)	Number of the incidents that caused temporary incapacity throughout the year
2011	14.489.414	1.434.077
2012	15.333.911	1.509.981
2013	15.663.735	2.109.121
2014	16.502.996	2.552.707
2015	17.295.882	- (**)

(\*)This figure includes the insured persons under 4/ and 4/b. The voluntarily insured are out of the scope.

(\*\*) Data includes 2014, not yet finalized for 2015.

Note: The self-employed insured people are covered against industrial accidents, occupational diseases and maternity insurance by this law for the first time. This law, for the first time, has introduced the possibility of receiving temporary incapacity allowance during inpatient treatment due to work accidents and occupational diseases and also for 8-week periods before and after birth from maternity insurance. Public employees (4/c) do not receive temporary incapacity benefits from sickness, maternity, occupational diseases and accidents insurance, since they are not in the scope of sickness benefit receivers in the law.

#### Article 16

Under the Law No. 5510, insurance holder is given daily temporary incapacity allowance beginning from the third day of the state of incapacity, during the period of temporary incapacity resulted from work accident, occupational disease, sickness and maternity.

In calculation of daily temporary incapacity allowance to be granted, daily earning limits shall be taken as basis. Daily earning limits have been set out in Article 82 of the Law No. 5510. Lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted, is one thirtieth of the minimum wage and the upper limit is 6.5 times of the lower limit of daily earning.

Daily earnings of the insurance holders with a daily earning under the lower limit mentioned in the above paragraph and those working unpaid, shall be calculated using lower limit and daily earnings of the insurance holders with daily earning over the upper limit shall be calculated using the upper limit. If the earning of the insurance holder is under lower limit, then the insurance premiums of the difference between this earning and the lower limit, and the entire insurance premium of insurance holders working unpaid shall be paid by the employer.

The minimum wage and calculations:

1- The minimum monthly wage was determined as 837 TL for the period between 01.07.2011 and 31.12.2011, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 27,90 TL and the upper limit was 6,5 times of this amount. ( $27,90 \times 6,5 = 181,35$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $27,9 \times 30 = 837$  TL and the maximum amount is  $181,35 \times 30 = 5.440,50$  TL

2- The minimum monthly wage was determined as 886,50 TL for the period between 01.01.2012 and 30.06.2012, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 29,55 TL and the upper limit was 6,5 times of this amount. ( $29,55 \times 6,5 = 192,07$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $29,55 \times 30 = 886,50$  TL and the maximum amount is  $192,07 \times 30 = 5.762,25$  TL

3- The minimum monthly wage was determined as 940,50 TL for the period between 01.07.2012-31.12.2012, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 31,35 TL and the upper limit was 6,5 times of this amount. ( $31,35 \times 6,5 = 203,77$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $31,35 \times 30 = 940,50$  TL and the maximum amount is  $203,77 \times 30 = 6.113,10$  TL.

4- As the minimum monthly wage is determined to be 978,60 TL for the period between 01.01.2013-30.06.2013 for the persons over 16 years old, lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 32,62 TL and the upper limit was 6,5 times of this amount. ( $32,62 \times 6,5 = 212,03$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $32,62 \times 30 = 978,60$  TL and the maximum amount is  $212,03 \times 30 = 6.360,90$  TL.

5- As the minimum monthly wage is determined to be 1.201,50 TL for the persons over 16 years old, for the period between 01.07.2013-31.12.2013, lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 34,05 TL and the upper limit was 6,5 times of this amount. ( $34,05 \times 6,5 = 221,32$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $34,05 \times 30 = 1.201,50$  TL and the maximum amount is  $221,32 \times 30 = 6.639,60$  TL.

6- The minimum monthly wage was determined as 1.071 TL for the period between 01.01.2014-30.06.2014, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 35,70 TL and the upper limit was 6,5 times of this amount. ( $35,70 \times 6,5 = 232,05$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $35,70 \times 30 = 1.071$  TL and the maximum amount is  $232,05 \times 30 = 6.961,50$  TL.

7- The minimum monthly wage was determined as 1.134 TL for the period between 01.07.2014-31.12.2014, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 37,80 TL and the upper limit was 6,5 times of this amount. ( $37,80 \times 6,5 = 245,70$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $37,80 \times 30 = 1.134$  TL and the maximum amount is  $245,70 \times 30 = 7.371$  TL.

8- The minimum monthly wage was determined as 1.201,45 TL for the period between 01.01.2015-30.06.2015, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 40,05 TL and the upper limit was 6,5 times of this amount. ( $40,05 \times 6,5 = 260,32$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $40,05 \times 30 = 1.201,45$  TL and the maximum amount is  $260,32 \times 30 = 7.809,60$  TL.

9- The minimum monthly wage was determined as 1.273,5 TL for the period between 01.07.2015-31.12.2015, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 42,45 TL and the upper limit was 6,5 times of this amount. ( $42,45 \times 6,5 = 275,92$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $42,45 \times 30 = 1.273,50$  TL and the maximum amount is  $275,92 \times 30 = 8.277,60$  TL.

10- The minimum monthly wage was determined as 1.647 TL for the period between 01.01.2016-31.12.2016, and lower limit of the daily earning, which is the basis for the calculation of premiums to be collected and benefits to be granted was 54,90 TL and the upper limit was 6,5 times of this amount. ( $54,90 \times 6,5 = 356,85$  TL)

Accordingly, for the said period, the minimum amount of a month's income which is the basis for the calculation of premiums to be collected and benefits to be granted, was  $54,90 \times 30 = 1.647$  TL and the maximum amount is  $356,85 \times 30 = 10.705,5$  TL.

Daily earning limits in relation with the minimum wage in the period under review:

<b>Period</b>	<b>Daily earning lower limit (TL)</b>	<b>Daily earning upper limit (TL)</b>
July-December 2011	27.90	181.35
January-June 2012	29.55	192.07
July-December 2012	31.35	203.77
January-June 2013	32.62	212.03
July-December 2013	34.05	221.32
January-June 2014	35.70	232.05
July-December 2014	37.80	245.70
January-June 2015	40.05	260.32
July-December 2015	42.45	275.92
January-December 2016	54.90	356.85

The amount of temporary incapacity allowance granted in cases of work accident, occupational disease, sickness and maternity of insured woman is 1/2 of the daily earning for in-patient treatment and 2/3 of the daily income for out-patient treatment.

The amounts of temporary incapacity allowance paid to the insured person:

<b>Period</b>	<b>Daily earning limits</b>	<b>Benefit amounts for inpatient treatment (TL)</b>	<b>Benefit amounts for outpatient treatment (TL)</b>
July-December 2011	Min.: 27,90	$27,90 \times 1/2 = 13,95$	$27,90 \times 2/3 = 18,60$
	Max.: 181,35	$181,35 \times 1/2 = 90,67$	$181,35 \times 2/3 = 120,90$
January-June 2012	Min.: 29,55	$29,55 \times 1/2 = 14,77$	$29,55 \times 2/3 = 19,70$
	Max.: 192,07	$192,07 \times 1/2 = 96,03$	$192,07 \times 2/3 = 128,04$
July-December 2012	Min.: 31,35	$31,35 \times 1/2 = 15,67$	$31,35 \times 2/3 = 20,90$
	Max.: 203,77	$203,77 \times 1/2 = 101,88$	$203,77 \times 2/3 = 135,84$
January-June 2013	Min.: 32,62	$32,62 \times 1/2 = 16,31$	$32,62 \times 2/3 = 21,74$
	Max.: 212,03	$212,03 \times 1/2 = 106,01$	$212,03 \times 2/3 = 141,35$
July-December 2013	Min.: 34,05	$34,05 \times 1/2 = 17,02$	$34,05 \times 2/3 = 22,70$
	Max.: 221,32	$221,32 \times 1/2 = 110,66$	$221,32 \times 2/3 = 147,54$
January-June 2014	Min.: 35,70	$35,70 \times 1/2 = 17,85$	$35,70 \times 2/3 = 23,80$
	Max.: 232,05	$232,05 \times 1/2 = 116,02$	$232,05 \times 2/3 = 154,70$
July-December 2014	Min.: 37,80	$37,80 \times 1/2 = 18,90$	$37,80 \times 2/3 = 25,20$
	Max.: 245,70	$245,70 \times 1/2 = 122,85$	$245,70 \times 2/3 = 163,80$
January-June 2015	Min.: 40,05	$40,05 \times 1/2 = 20,02$	$40,05 \times 2/3 = 26,70$
	Max.: 260,32	$260,32 \times 1/2 = 130,16$	$260,32 \times 2/3 = 173,54$
July-December 2015	Min.: 42,45	$42,45 \times 1/2 = 21,22$	$42,45 \times 2/3 = 28,30$

	Max.: 275,92	$275,92 \times 1/2 = 137,96$	$275,92 \times 2/3 = 183,94$
January -December 2016	Min.: 54,90	$54,90 \times 1/2 = 27,45$	$54,90 \times 2/3 = 36,60$
	Max.: 356,85	$356,85 \times 1/2 = 178,42$	$356,85 \times 2/3 = 237,90$

The daily earning to be the basis for allowances and earnings is explained in the Article 17 of the Act No. 5510 as below:

Daily earning to be used as basis in the calculation of benefits or income to be granted in cases of sickness, work accident, occupational disease or maternity, shall be calculated by dividing the sum of earnings subject to premium in the last three months in twelve months before the date of work accident or birth or, in case of occupational disease or sickness, the date on which the temporary incapacity starts, by the number of days of paid premiums subject to such earnings.

If an insurance holder, who did not work in the twelve - month period and did not receive wage, suffer from temporary incapacity due to work accident or occupational disease in the month he/she starts to work, then the daily earning used as basis in the calculation of benefits or income to be granted shall be calculated by the sum of earnings subject to premium obtained between the date of starting to work and the starting date of temporary incapacity, divided by the number of days worked, and if such person suffers from work accident as of the starting date of work, then the daily earning of an insurance holder working in the same or equivalent work shall be used.

In the calculation of the daily earnings under 4/a:

- The daily earning to be used in benefits and income shall not be greater than the amount found by adding 50% to the daily earning to be calculated by dividing the wage total to the number of days of receiving wage.
- If the occupational disease occurred within one year following the date of the insurance holder quitted the work he/she worked under insurance, then his/her daily earning shall be calculated using the date he/she quitted from this last work, in accordance with the above paragraphs.
- Monthly earning to be used in the income payable from the work accident and occupational disease insurance shall be 30 times the daily earning to be calculated in accordance with the above provisions.

### **Article 17**

According to the Act No. 5510, a medical rest report granted by the physician or health committees authorized by the Institution is required in order to determine temporary incapacity of the insured person.

In case, among the insurance holders under 4/a (employed on the basis of a service contract) suffer from temporary incapacity due to sickness, they receive temporary incapacity allowance provided that minimum ninety short term insurance premium is notified within one year before the starting date of the temporary incapacity. The condition of insurance premium payment days is not required in case of temporary incapacity due to work accident or occupational disease.

To grant the temporary incapacity allowance to the insurance holders under 4/b (self-employed) in case of suffering temporary incapacity due to work accident or occupational disease, payment of all debts of those insured regarding premiums including universal health insurance is required.

No temporary incapacity allowance can be granted to the insurance holder in this scope under 4/b from sickness insurance.

Since there is no loss of earnings of any kind for the insurance holders under 4/c (public employees) during incapacity as they continue to receive their salaries, they are not mentioned in Article 18 of the Law among those who shall receive temporary incapacity allowance. Thus, no temporary invalidity allowance is paid to the insurance holders under 4/c in the cases of work accident, occupational disease, sickness or maternity.

### **Article 18**

In case the insurance holders under item 4/a (employed on the basis of a service contract) suffer from temporary incapacity due to sickness, they receive temporary incapacity allowance for each day starting from the third day of the temporary incapacity during sick leave on medical report. If they suffer temporary incapacity due to work accident or occupational disease, he/she receives temporary incapacity allowance for each day as from the date the incapacity occurs.

Insurance holders under item 4/b (self-employed) shall be paid temporary incapacity benefit for each day during the period of inpatient treatment or the period of rest report granted due to such treatment, in the cases of temporary incapacity due to work accident or occupational disease.

The temporary incapacity allowance of the insured person in the resting period is paid following the end of the rest report, without waiting for the employer to report that the employee is not working. But the employer shall submit the notification of incapacity to the institution through electronic medium until the deadline for submitting the monthly premium and service documents of the following month of the end of the rest report of the insured person. If it is not sent or not sent in good time, the employer is subject to administrative fines.

In cases where the insurance holder suffers from sickness, work accident, occupational disease, prolonged treatment or his/her incapacity degree increases due to the below mentioned reasons, the temporary incapacity benefit or permanent incapacity income;

- shall be reduced up to one fourth by the Institution, based on the extended treatment period or increased incapacity or disability rate, in case the treatment period is extended or incapacity rate is increased due to insurance holder not observing the measures and recommendations of the physician because of work accident, occupational disease, sickness and maternity, excluding the individuals who do not have criminal responsibility and who have an acceptable excuse.
- shall be reduced up to one third by the Institution, based on the degree of fault of the insurance holder suffering from occupational disease or sickness due to gross fault of the insured excluding the ones who do not have criminal responsibility.

- shall be paid in half to the insurance holder who suffer from work accident, occupational disease or sickness due to his/her intentional action and who do not accept the proposed treatment in spite of the written notification of the Institution.
- Temporary incapacity benefit shall not be payable to an insurance holder, who starts working without receiving a certificate from the physician applying the treatment, stating that the treatment is over and that he/she can work, the paid benefits shall be refunded starting from the date of inappropriate payment.



## **PART IV**

### **Unemployment Benefit**

Unemployment Insurance Act No. 4447 was adopted on 25.08.1999. Unemployment insurance is statutory for all the insured covered under the unemployment insurance and the enforcement of the Law began on 01.06.2000. The Social Security Institution is responsible for the collection of unemployment insurance premiums and the Turkish Employment Agency is hold in charge, authorized and responsible for all the other matters concerned. Pursuant to the Law, first unemployment premiums started to be charged as from June 2000 by the Social Insurance Institution (former) and transferred to the unemployment insurance fund.

#### **Article 20**

Conditions for entitlement to unemployment benefit:

According to Article 51 of Act No. 4447, persons who are accepted to be insured according to the same Law and whose employment contracts have been terminated based on below mentioned situations are entitled to receive unemployment benefits, provided that they apply to the institution in person in due time, reporting that they are ready to accept a new job and fulfil the premium payment conditions mention in the Law.

- a. In case employment contracts have been terminated according to Article 13 of Labour Law (No. 1475, dated 25.08.1971), Article 16 of Maritime Labour Law (No. 854, dated 20.04.1967), and Article 6/4 of the Law Concerning the Regulation of the Relations Between the Employers and Employees in Press (No. 5953, dated 13.06.1952)
- b. In case fixed term or open ended employment contracts have been terminated by the insured employee, either before or without waiting for the end of the term, according to Article 16/I, II, III of Labour Law No. 1475, Article 14/II, III of Maritime Labour Law No. 854, and Article 7 or 11/I of the Law Concerning the Regulation of the Relations Between the Employers and Employees in Press No. 5953,
- c. In case fixed term or open ended employment contracts have been terminated by the employer, either before or without waiting for the end of the term, according to Article 17/ I, II of Labour Law No. 1475, Article 14/III of Maritime Labour Law No. 854, and Article 12/I of the Law Concerning the Regulation of the Relations Between the Employers and Employees in Press No. 5953,
- d. If the person becomes unemployed at the end of the term, in case the employment contract is made for a fixed term, or he/she becomes unemployed at the end of a navigation in case the employment contract is made for only certain navigation according to Article 7/II of Maritime Labour Law No. 854,
- e. In case of dismissal due to handover or transfer, closing or shutdown, and change of properties of the work place, or in case of unemployment according to Article 14/IV of Maritime Labour Law No. 854.
- f. In case of getting unemployed in the scope of Article 21 of Law No. 4046, dated 27.11.1994, Concerning Arrangements for the Implementation of Privatization and Amending Certain Laws and Decrees with the Force of Law,
- g. In case employment contracts of the insured persons, who are out of the scope of the labour legislation mentioned above, are terminated according to collective labour agreements made in line with the Law on Trade Unions No. 2821 and Law on

Collective Labour Agreement, Strike and Lock-Out No. 2822, or parallel to Paragraphs a, b, c, d and e of the Law of Obligations if no collective agreement has been made.

## **Article 21**

Personal Scope of the Unemployment Insurance:

Under the scope of Unemployment Insurance Act No. 4447, the insured employees working under a service contract (4/a) mentioned in Article 4 of Act No. 5510, employees working on part-time contracts according to Act No. 4857, who are voluntary insurance holders paying unemployment insurance premiums in the scope of the first paragraph of Article 52 of Act No. 5510 and the insured persons in the scope of additional article 6 and those subject to the funds described in temporary Article 20 of the Act No. 506.

The number of persons entitled to unemployment benefits and recipients (2011-2015):

<b>Years</b>	<b>Persons entitled to unemployment benefits</b>	<b>Persons receiving unemployment benefits</b>
2011	319,647	174,363
2012	347,866	202,923
2013	375.518	234.345
2014	439.010	288.992
2015	487.161	326.592

Premium shares:

The unemployment insurance contribution is collected as 1% for the insured, 2% for the employer and 1% state share, in total as 4% of the monthly gross income subject to the contribution set out in the Articles 80 and 82 of Social Insurance and Universal Health Insurance Law No. 5510. Voluntary insurance holders paying unemployment insurance premiums pay the shares of 1% for the insured, 2% for the employer. Employer's share of the unemployment insurance premiums of persons with mental or psychological disability, who face difficulties in employment and working at sheltered workshops are paid by the Treasury.

## **Article 22**

The following payments are made and services are provided by the Turkish Employment Agency:

- Unemployment allowance,
- Insurance premiums to be paid in accordance with the Act No. 5510,
- Finding a new job,
- Courses and programmes in the context of active labour services.

Unemployment allowance:

In accordance with Article 50 of the Unemployment Insurance Act No. 4447, daily unemployment allowance is 40% of daily gross average earning calculated by taking into consideration the earnings of the insurant for the last four months subject to premium. Amount of daily short employment allowance shall not exceed 80% of the gross amount of

monthly minimum wage for those older than sixteen years of age in accordance with Article 39 of the Labour Law No. 4857.

## **Article 24**

Of those who have paid premium for the last 120 days and constantly worked before the end of employment contract;

- a. 180 days of unemployment allowance for those who have paid unemployment insurance premium for at least 600 days in the last three years,
- b. 240 days of unemployment allowance for those who have paid unemployment insurance premium for at least 900 in the last three years,
- c. 300 days of unemployment allowance for those who have paid unemployment insurance premium for at least 1080 days in the last three years are granted.

If the insured is re-employed before completing the period of benefiting from unemployment benefit and remains unemployed again without fulfilling the conditions stipulated by this law to take advantage of unemployment insurance benefit, he/she will benefit from this right until completing the unemployment benefit period that he/she deserved before.

The reasons for suspension of unemployment insurance allowance payment:

While receiving unemployment insurance allowance unemployment allowance is cut if the insured persons;

- a. reject suitable jobs offered by the Organisation, without any rightful reason, which have a close salary and working conditions of their last job and which are inside the urban area of the municipality of residence,
- b. are found to be working for income or receiving old age pension from a social security institution,
- c. reject vocational development training courses offered by the Institution without any rightful reason or do not continue their training despite accepting them,
- d. do not reply the calls made by the Organisation and fail to submit requested information and documents within specified time, without any rightful reason.

However, if the suspension circumstances stated in the paragraphs (c) and (d) end in some time, insurance allowances are restarted.

## **PART V**

### **Old Age Benefits**

#### **Article 25**

Entitlement to an old age pension and a lump-sum payment to the insured are the rights granted from the old age insurance.

#### **Article 26**

Old age pension shall be granted to the insured if the individual is female at the age of over 58 and if male at the age of over 60 pursuant to this Law for the first time.

The said Law does not envisage any change in retirement age until 2036. But for the persons who will retire later than the year 2036 a gradual increase for the retirement age is envisaged; the retirement age will be 65 for males in 2046 and for females in 2048.

#### **Article 27**

Protected individuals are the employees who are designated by legislation. They are the insured active people that belong to either the group working on a service contract (4/a) or self-employed (4/b) or public employees (4/c).

The protected groups regarding old age benefit between 2011-2015; total number of persons granted with pension for each year and the number of persons already receiving pensions:

<b>Years</b>	<b>Number of the Protected</b>	<b>Persons Granted with Pension During the Year (***)</b>	<b>Total Number of Pension Receivers</b>
2011	Employees working on the basis of a service contract (4/a): 11.216.087*	267.293	4.041.409
	Self-employed (4/b): 3.327.297**	173.736	1.515.943
	Public employees/contributor (4/c): 2.554.200	30.573	1.259.454
2012	Employees working on the basis of a service contract (4/a): 12.186.120*	259.614	4.235.496
	Self-employed (4/b): 3.162.914**	70.462	1.553.730
	Public employees/contributor (4/c): 2.662.608	27.731	1.276.655
2013	Employees working on the basis of a service contract (4/a): 12.780.622*	236.547	4.412.711
	Self-employed (4/b): 2.927.250**	65.407	1.571.185
	Public employees/contributor (4/c): 2.823.400	23.476	1.300.140
2014	Employees working on the basis of a service contract (4/a): 13.579.592*	252.149	4.601.192
	Self-employed (4/b): 2.943.837**	60.019	1.590.450
	Public employees/contributor (4/c): 2.910.148	39.861	1.312.681
2015	Employees working on the basis of a service contract (4/a): 14.379.388*	335.806	4.865.179

	Self-employed (4/b): 2.938.034**	102.771	1.648.715
	Public employees/contributor (4/c): 3.032.971	48.205	1.340.996

(\*) including statutory, part-time employees and agricultural workers.

(\*\*) including the voluntarily insured and village headmen pursuant in accordance with Acts No. 1479 and 2926.

(\*\*\*) temporary realisation values for the year of 2015.

## Article 28

Below is the explanation in the provisional article 2 of the Act No. 5510 old-age, disability and survivors' pensions of the insured under the coverage of 4/a, and 4/b of the Law.

The income replacement system has been amended by the Act No. 5510. How to calculate the pension for the insured, under 4/a, and 4/c of this law, requesting his/her retirement following the said law's entry into force is explained in the provisional article 2 of the Law.

Accordingly;

- The income replacement of the insured person who becomes insured after October 2008 (including) will be done in accordance with the new system introduced by the law.
- The income replacement for those who have been insured before October 2010 (not including) and request the allocation is done in accordance with a mixture of old and new system.

### Calculation of Old-age Pension:

The formulation for the calculation of the pension by the new system introduced by the Act No. 5510 is shown below:

$$\text{Pension} = \text{Average Monthly Earning} \times \text{Income Replacement Rate}$$

The earnings of the insured, as the basis for premiums for their work after October 2008, are updated to the year of request or the year of death by using an update coefficient. The update coefficient refers to the value found as a result of adding the integer of (1) to the sum of 100% of the General Index of Consumer Prices (TÜFE) for the latest reference period as declared at the end of December of each year by the Turkish Statistical Institute and 30% of the gross domestic product growth rate.

*Example:*

If the yearly consumer prices index is 10% and the GR is 6%; the update coefficient of the same year is  $\{10 + [(6 \times 30\%) = 10 + 1.8] = 11,8\% = 0,118 + 1 = 1,118$ .

### Calculation of the Average Monthly Earning:

Average monthly earning (AME) is 30 times of the daily earning calculated by way of dividing the sum of earnings, which belong to the years from October 2008 (including) and constitute the base for premiums and found by updating with the update coefficient of each

year for the years up to the date of request or death, by the number of premium payment days as from October 2008 (including).

*For old-age pensions:*

Replacement rate shall be applied as 2% for each 360 days of total paid premium days of the insurance holder. Periods less than 360 days shall be considered proportionally in this calculation. However, the replacement rate shall not be over 90%. In calculation of old age pension replacement rate of the insured who has not completed 3600 premium payment days before 1 May 2008, the rate of 3% is taken as a basis for each 360 days of his/her service periods that complete the number of paid premium days to 3600 days prior to and post that date. This calculation is applicable for the insured persons before the date of 1 May 2008.

Among the insured entitled to pension in accordance with the subparagraphs four and five of Article 28 of the Act No. 5510;

For the insured under 4/a who has less than 7200 premium payment days, it is determined by the number of days calculated by way of dividing the figure found multiplying the rate of incapacity to work with 7200 days of paid premium by 60% (rate of incapacity to work x 7200 / 60%=number of premium days as the basis for IRR) in such a way that it cannot exceed 40%.

For the insured under 4/b who has less than 9000 premium payment days, it is determined by the number of days calculated by way of dividing the figure found multiplying the rate of incapacity to work with 9000 days of paid premium by 60% (rate of incapacity to work x 9000 / 60%=number of premium days as the basis for IRR) in such a way that it cannot exceed 50%.

Income Replacement Rate is determined by the number premium payment days for the insured under 4/a whose premium payment days are more than 7200 and for the insured under 4/b whose premium payment days are more than 9000.

The calculated old-age, invalidity and survivors' pension cannot be less than the 35% of the average monthly earnings determined as from the January of the year when the request made or the year of death taking into consideration the daily earning lower limits as the basis for premium for the periods of work of the insured and cannot be less than the lower limit pension calculated by 40% if the insured has spouse or child on the date the request is made or on the date of death.

The old-age and survivors' pension calculated as explained above cannot be less than the lowest old-age pension paid on the base of file for the insured under 4/a and 4/b in the December pay period of the year prior to the year when the allocation request is made or the year of death.

The calculated pension above belongs to the month of January of the year when the allocation request is made or the year of death, however, the pension of the insured on the starting day is calculated by increasing as much as the increase rates applied to the pensions in January pay period if the starting date of the pension is in the first half of the year and as much as the increase rates applied to pensions in January at first, and then as the increase rates applied in July pay period if the starting day of the pension is in the second half of the year.

The replacement for the insured, whose insurance had been started before the entry into force of the Act No. 5510 and those who makes the request of allocation after October 2008 (including), is done in accordance with a mixed system made of the combination of old and new systems. In the system in question;

For the insured under 4/a, the amount of the pension is calculated by combining the partial pensions computed in accordance with the provisions for replacement introduced by the Act No. 5510 for the services after the entry into force of the said law and in accordance with the provisions of the Acts No. 506 or 2925 for the services until the entry into force of the Act No. 5510.

For the insured under 4/b, the amount of the pension is calculated by combining the partial pensions computed in accordance with the provisions for replacement introduced by the Act No. 5510 for the services after the entry into force of the said law and in accordance with the provisions of the Acts No. 1479 or 2926 for the services until the entry into force of the Act No. 5510.

### **Increasing Incomes and Pensions:**

Following the entry into force of the Act No. 5510 and pursuant to Article 55 of the said Act, either the replacements made in accordance with the Act No. 5510 or the replacements made in accordance with the Acts No. 506, 1479, 2925 and 2926 before the entry into force of the Act No. 5510 are determined by increasing as much as the variation rate in the General Index of Consumer Prices declared by the Turkish Statistical Institution for the latest reference period in comparison with the former six-month period to be effective as from the payment dates in January and June.

Although this provision of the law is the general rule in increasing pensions, increases between 1 July 2011 and 30 June 2016 are applied in accordance with the provisional articles appended to the Act No. 5510. Accordingly, the salary increases which have been realized in the mentioned periods are as follows:

To be effective from July 2011 pay period, the rate of General Index of Consumer Prices (TÜFE) between January-June 2011 was increased by 4%,

To be effective from January 2012 pay period, the rate of General Index of Consumer Prices (TÜFE) between June-December 2011 was increased by 6,79%,

To be effective from July 2012 pay period, the rate of General Index of Consumer Prices (TÜFE) between January-June 2012 was increased by 1,95%,

To be effective from January 2013 pay period, the rate of General Index of Consumer Prices (TÜFE) between June-December 2012 was increased by 4,14%,

To be effective from July 2013 pay period, the rate of General Index of Consumer Prices (TÜFE) between January-June 2013 was increased by 4%,

To be effective from January 2014 pay period, the rate of General Index of Consumer Prices (TÜFE) between June-December 2013 was increased by 3,27%,

To be effective from July 2014 pay period, the rate of General Index of Consumer Prices (TÜFE) between January-June 2014 was increased by 5,7%,

To be effective from January 2015 pay period, the rate of General Index of Consumer Prices (TÜFE) between June-December 2014 was increased by 2,33%.

For the July 2015 payment period: In accordance with Article 58 of the Act No. 6645 and the provisional article 65 of the Act No. 5510:

Insurance holders and right holders in the scope of items 4 (a) and (b), have been granted payment as follows:

- a.** Incomes and pensions, which were issued before 2015 and increased in January 2015 period according to Article 55 paragraph 2, are increased according to the same paragraph following July 2015 period. Provided that amounts to be paid according to individual files are taken as basis in calculating the amounts of incomes and pensions, amounts of incomes and pensions that are less than 1.000 TL (including) have been increased by 100 TL and those that are more than 1.000 TL have been increased to 1.100 TL (maximum).
- b.** Monthly invalidity, old-age and survivors' pensions as from January 2015 which are counted in accordance with Articles 27, 29, 33 and provisional article 2 are granted with pay rises as per paragraph (a) above.
- c.** As to the calculation of daily earning, which is the basis of income from work accidents and occupational diseases insurance, increases are made according to the following:
  1. For the first half of 2015, income is calculated in accordance with the Article 55/2 and second sentence of 1 (a) of the Act No. 5510 in January and July 2015 payment period;
  2. For the second half of 2015, income is calculated in accordance with the Article 55/2 and second sentence of 1 (a) of the Act No. 5510 in July 2015 payment period.
- d.** In the context of the second sentence of paragraph 1 (a) above, increases are as below:
  - 1) For the ones receiving permanent invalidity pension from occupational accidents and diseases insurance, the increases are applied at the rate of permanent invalidity,
  - 2) In the cases of death files, the increase is applied at the rate of share of beneficiaries,
  - 3) According to social security agreements concluded with foreign countries, partial incomes or salaries are increased in conformity with the paid premium days in Turkey.
- e.** The increases which have already been implemented to the mentioned paragraphs (a), (b) and (c) shall no longer be increased again in July 2015 period according to article 55.

It's stated in Article 55 of the Act No. 5510 that income and pensions are increased equal to the variation rate in the General Index of Consumer Prices declared by the Turkish Statistical Institution for the latest reference period in comparison with the former six-month period, to be valid beginning from January and July payment periods. January/June index rate is 4,76%.

Regarding income and pensions of insurance holders and beneficiaries subject to Article 6 of the Law No. 6655 and the 4/a insurance holders in the scope of provisional article 67 of the Law No. 5510, increases in January 2016 period for income and pensions issued before 2016 and in 2016 are explained below.

The amounts of increases applicable to 4/a and 4/b are as follows:

- a.** Incomes and pensions granted before the beginning of the year 2016 are paid;



1. By increasing in conformity with the second paragraph of Article 55 of the Law No. 5510 in January 2016 pay period and additionally by 100 TL as from January 2016 pay period, taking income and pensions in individual files as basis.

2. By increasing by the increase rate of July 2016 period, in conformity with Article 55, being effective from July 2016 period.

**b.** Amounts of invalidity, old age and survivors' pension to be granted in 2016 counted in accordance with Articles 27, 29, 33 and the provisional article 2 of the Law No. 5510 are paid by making the necessary increases mentioned in the paragraph "a".

**c.** In the context of daily earnings to be taken as the basis for income from work accidents and occupational disease insurance,

1. the incomes which belong to the first half of 2016 are increased according to paragraph (a), subparagraph (1), and

2. the incomes which belong to the second half of 2016 are increased in accordance with paragraph (a), subparagraph (2).

**d.** The increase to be made in accordance with paragraph (a) of subparagraph (1) is as follows:

1. For those receiving permanent incapacity benefits from occupational accidents and diseases insurance, the increases are made at the rate of permanent incapacity, which is the basis for benefits.

2. For beneficiaries of the deceased, the increases are applied in conformity with the shares of beneficiaries.

3. For those who are granted permanent incapacity benefits as a result of losing their capacity to earn income in that occupation by less than 50% as a result of work accidents and occupational diseases and decease during the payment period for a reason other than the work accidents and occupational disease, the increase is made according to the incapacity rate and in conformity with the shares of beneficiaries.

4. For those receiving partial incomes or salaries according to social security agreements concluded with foreign countries, increases are made by the rate of paid premium days according to the Turkish legislation to the total paid premium days according to the social security agreement.

**e.** Incomes and pensions mentioned in the first item, paragraphs (a), (b) and (c) which have been increased in 2016, will not be increased again according to Article 55.

On the other hand, as per Article 55 of the Law No. 5510, incomes and pensions payable pursuant to this Law shall be determined by increasing at the change rate in the general consumer prices index of the final base year announced by Turkish Institute of Statistics based on previous six-month period, effective from the date of January and July payment dates of each year. Accordingly, the rate of General Index of Consumer Prices (TÜFE) between June-December 2015 period was determined as 3,86%.

In 2016, pensions shall be granted to the insured employed under a service contract (4/a) in accordance with the Act No. 5510, upon request for pension from old age insurance.. Despite lower pension limits that are valid in the system are applied to the full pension which is the basis for partial pensions while replacement procedures are followed, pensions will be

paid as found since no lower limit pension is envisaged in the law for old-age pension composed of partial pensions that had to be calculated as of January 2016, being the year of request. Therefore, the lowest pension will be different at each month of payment. Accordingly, the insured employed under a service contract (4/a) were granted with a pension of minimum 563,47 TL from the old-age benefit in May 2016.

The amounts of pensions granted to the insured under 4/a in the period in question and the amounts of increase compared with the previous period (Additional payments are included/Pensions paid in the system).\*

Period	Min. Pension (TL)	Max. Pension (TL)	Min. increase (TL)	Max. increase (TL)
July-Dec/2011	651,45	2.711,50	26,06	108,46
Jan-June/2012	689,87	2.895,61	46,84	196,61
July-Dec/2012	370,49	3.106,76	7,22	60,58
Jan-June/2013	385,83	3.235,38	15,97	133,94
July-Dec/2013	381,82	3.392,48	15,27	135,70
Jan-June/2014	394,30	3.503,40	12,89	114,57
July-Dec/2014	339,00	3.952,90	19,32	225,32
Jan-June/2015	407,80	4.076,60	9,50	94,98
July-Dec/2015	535,10	4.270,60	125,47	203,28
Jan-June/2016	660,70	4.364,87	125,50	268,48

\* Based on individual files

The amounts of increase compared with the previous period (general)

Period	Increase rate
July-Dec/2011	4,00%
Jan-June/2012	6,79%
July-Dec/2012	1,95%
Jan-June/2013	4,14%
July-Dec/2013	4,00%
Jan-June/2014	3,27%
July-Dec/2014	5,70%
Jan-June/2015	2,33%
July-Dec/2015	- Those that were less than 1.000,00 TL (including) after applying 4,76% increase were increased by additional amount of 100,00 TL - Those that were between 1.000,00-1,100,00 TL were rounded up to 1.100,00 TL
Jan-June/2016	- In addition to the 3,86% TUFİE increase, an increase of 100,00 TL is made on file basis equally.

The amounts of pensions granted to the insured self-employed under 4/1-b in the period in question (Additional payments to the pensions are not included):

Period	Pursuant to the Act No. 1479		Pursuant to the Act No. 2926	
	Lowest pension (TL)	Highest pension (TL)	Lowest pension (TL)	Highest pension (TL)
July-Dec/2011	634,17	1.714,50	469	1.078
Jan-June/2012	677,23	1.830,92	501	1.151
July-Dec/2012	690,40	1.866,60	510	1.174
Jan-June/2013	719,00	1.944,20	532	1.222
July-Dec/2013	747,76	2.021,97	553	1.271
Jan-June/2014	772,21	2.088,09	571	1.313
July-Dec/2014	816,23	2.207,11	603	1.388
Jan-June/2015	835,25	2.258,54	618	1.420
July-Dec/2015	975,01	2.366,05	747	1.487
Jan-June/2016	1.112,65	2.557,38	875,78	1.644,87

Salary coefficient and basic salary coefficient that are determined by the Council of Ministers are taken as basis in the calculation of the salaries and pensions of the public servants insured under 4/c of the Act No. 5510. Collective agreement provisions were began to be taken as bases in determination of these coefficients with the recognition of the right to collective agreement of the public servants under an amendment to the Constitution in 2010. Procedures of collective agreement negotiations were determined by an amendment to the “Act No. 4688 on Public Servants’ Trade Unions and Collective Agreement” in April 2012 in parallel with the said Constitutional Amendment.

Furthermore, in accordance with an amendment made to Article 28 of the Act No. 4688, the increase in the salary and basic salary coefficients determined by the collective agreement provisions will also be taken into consideration in increasing old age, invalidity and invalidity on duty pensions (and survivor pensions based on these pensions) of public servants classified for the first time as insured under 4/1-c of the Act No. 5510. Hence, unlike other insured persons (under 4/1-a and 4/1-b), the regulation which increases the old age, invalidity (including invalidity on duty) and survivors pensions of public servants appointed for the first time after the entry into force of the Act No. 5510 in accordance with the rate of increase of TÜFE per 6 months has been abrogated.

In order to be taken as a basis when determining the salaries and pensions of public servants, an increase of 4% for the first half of 2012 (period of January-June) and further 4% for the second half of 2012 (period of July-December) and 3% for the first half of 2013 (period of January-June) and 3% for the second half of 2013 (period of July-December) was foreseen by a decision of Public Servants Arbitration Board concerning the first Collective Agreement Negotiations covering the years 2012-2013 and held under the Act No. 4688.

However, since it was agreed on at the said collective agreement negotiations that 3% increase envisaged for the period of July-December 2013 should be revised taking the Consumer Prices Index into account, and because, ratio of six monthly change of June 2013 index compared to December 2012 index was 4% as announced by the Turkish Statistics

Institute (TÜİK) with its 2003=100 Basic Year Consumer Prices Index, the rate of 1% inflation adjustment was taken as basis and with a 4% increase valid for the second half of 2013 within the reporting period, salary coefficient was raised to (0,076791) and basic salary coefficient to (1,0275).

Moreover, pursuant to Article 5 of the “First Part” regulating the increase of salaries and determination of coefficients of the Collective Agreement covering the years 2014-2015 and Article 154 of Civil Servants Act No. 657, salary coefficient to be applied in translating the figures in salary indicator table and additional indicator and seniority salary indicator figures to the salary amounts and basic salary coefficient to be applied to the public servant basic salary indicator were re-determined.

Hence in 2014, agreement was reached only on the increase of the basic salary coefficient by (0,175) points. During the period of January-June 2014, with (0,175) points increase of basic salary coefficient, salary coefficient remained unchanged (0,076791) and basic salary coefficient was at the level of (1,20250). However, since the ratio of six monthly change of December 2013 index compared to June 2013 index was 3,27% as announced again by the Turkish Statistics Institute (TÜİK) with its 2003=100 Basic Year Consumer Prices Index, the rate of 0,27% inflation adjustment was taken as basis and, valid for 2014 within the reporting period, salary coefficient was raised to (0,076998) and basic salary coefficient to (1,20527).

In accordance with the provisions of the above-mentioned agreement, during the period of January-June 2015 by applying an increase of 3% to the salary and basic salary coefficients implemented in 2014 and making inflation adjustment, salary coefficient was raised to (0,079308) and basic salary coefficient to (1,241440). The rate of increase of 3% foreseen for the period of July-December 2015 was raised to 4,76% after inflation adjustment was made.

By a Decree of the Council of Ministers (No. 2015/8057) and to be implemented as of the date of 01.09.2015, an increase was made on an equal basis by raising the applicable compensation reflection rates by 15 points which were taken as bases for calculating both public servants’ pensions and their retirement grant and regulated under the repealed Supplementary Article 70 of the Act No. 5434 concerning Public Servants’ Pension Fund.

The effect of this increase to the pensions amounts to:

- 92,35 TL for a pensioner with 25 years of service,
- 98,50 TL for a pensioner with 30 years of service,
- 104,66 TL for a pensioner with 35 years of service.

On the other hand, pensions in 2016 and 2017 will be raised by taking into account the rates of increases and coefficients determined in the 3rd period collective agreement negotiations.

Thus, excluding the increases due to the inflation adjustment, the following increases will be made:

- In 2016, 6% for the first half of the year and 5% for the second half totalling 11,3%,
- In 2017, 3% for the first half of the year and 4% for the second half totalling 7,2%.

If the inflation rates during the said periods occur above the said rates of increases additional increases shall be made.

Hence, 6,90% raise, including inflation adjustment, was made in the pensions in January 2016.

Public servants' salary and basic salary coefficients during the period of 01.07.2011-30.06.2016:

Year/Month	Salary Coefficient	Basic Salary Coefficient
1 July 2011	0,064460	0,862510
1 January 2012	0,068835	0,921050
1 July 2012	0,071589	0,957900
1 January 2013	0,073837	0,987980
1 July 2013	0,076791	1,027500
1 January 2014	0,076998	1,205274
1 January 2015	0,079308	1,241440
1 July 2015	0,083084	1,300540
1 January 2016	0,088817	1,390277

Source: *bumko.gov.tr*

Calculation of the pension of the insured (contributor) under 4/1-c:

Old-age pension of the insured (contributor) is calculated on the basis of income (salary) replacement rate of the "base salary for granting pension" which was calculated taking into account the following items:

- Indicator salary,
- Supplementary indicator salary,
- Basic salary,
- Seniority salary,
- Compensatory salary and
- Coefficient in force.

Salary replacement rate varies according to length of service and 75% is granted for those with a total of 25 years of service (total period of actual and nominal service), and minus 1% for each full year if it is less than 25 years of service and 1% more for each full year if over 25 years.

Therefore, salary replacement rate for those who are entitled to old-age pension cannot exceed 100% and cannot be less than 65%.

However, the lower limit for the pensions to be granted pursuant to the Act No. 5434 is the amount found by calculating for 30 years of service at grade 14, step 2 level.

Minimum and maximum amounts of pensions under the provisions of the Act No.5434:

Period	Minimum Pension	Rate of Increase	Maximum Pension	Rate of Increase
July-December 2011	938,50	8,66	4.305,00	8,48
January-June 2012	1.002,27	6,79	4.597,17	6,79
July-December 2012	1.042,37	4,00	4.781,10	4,00
January-June 2013	1.075,10	3,14	4.931,23	3,14
July-December 2013	1.118,11	4,00	5.128,51	4,00
January-June 2014	1.261,12	12,79	5.273,59	2,83
July-December 2014	1.298,96	3	5.431,80	3
January-June 2015	1.360,80	4,76	5.690,42	4,76
July-December 2015	1.455,52	6,96	5.779,22	1,56
January-June 2016	1.555,91	6,9	6.177,96	6,9

*Note: 1. Supplementary pay is not included in the pension amounts. Salary of the Retired Undersecretary of the Prime Minister is taken as basis for the maximum pension.*

*2. Pensions are calculated on the basis of 25 years of service.*

The method of granting (old-age) pension for public servants is formulated as follows:

A= (Salary grades and steps indicator) + (Supplementary indicator, if applicable) x (Coefficient),

B= (Seniority salary indicator) x (Service years) x (Coefficient),

C= (Basic salary indicator) x (Basic salary coefficient),

D= Retirement Compensation (Variable per cent of the supplementary indicator figure of the salary of the highest rank public servant),

E=Income replacement rate.

Old-Age pension= (A+B+C+D) x E%

In addition to these amounts, if applicable, several compensations such as office or high judiciary or representation or task compensation or non-cadre compensation which are paid without any deductions in accordance with the amounts stated in law or statutory decrees and according to their cadre titles or military ranks.

Example: according to the explanations above, the calculation of old-age pension granted on the date of 15.01.2016 to a high school graduate teacher in education and training services at Grade 1, Step 4 and on the basis of +3000 supplementary indicator with 25 years of service is as follows:

A-  $\frac{\text{Grade and step (1/4)}}{1500} + \frac{\text{Suppl. indicator}}{3000} \times \frac{\text{Coefficient}}{0,088817} = 399,67 \text{ TL}$

B-  $\frac{\text{Seniority sal. ind.}}{20} \times \frac{\text{Service years}}{25} \times \frac{\text{Coefficient}}{0,088817} = 44,41 \text{ TL}$

$$\text{C- } \frac{\text{Basic salary ind.}}{1000} \times \frac{\text{Basic salary coeff.}}{1,390277} = 1.390,27 \text{ TL}$$

**D-**

$$\begin{array}{l} \text{Highest rank} \\ \text{public serv.} \\ \text{indicator} \\ 1500 \end{array} \times \begin{array}{l} \text{Highest rank} \\ \text{public serv.} \\ \text{Supp.indicator} \\ 8000 \end{array} \times \begin{array}{l} \text{Coefficient} \\ 0,088817 \end{array} \times \begin{array}{l} \text{Retirement} \\ \text{compensation} \\ \text{rate} \\ 85\% \end{array} = 717,19 \text{ TL}$$

**E - 75%**

Total:

2.551,54 TL

$$\text{Pension} = \frac{\text{Total}}{2.551,54} \times \frac{\text{Replacement rate}}{75\%} = 1.913,65 \text{ TL}$$

## Article 29

Conditions required in order to be entitled to old-age pension:

Before the Act No. 5510 entered into force, social security of the workers who work on the basis of a contract of employment, the self-employed and public servants had been provided under the Acts No. 506, 2925, 1479, 2926 and 5434. The acquired rights of those insured before the effective date of Act No. 5510 have been preserved and several articles of the repealed laws concerning the conditions for entitlement to old-age pension have been kept in effect.

Whether the insured is entitled to old-age benefit or not is determined by the fulfilment of the envisaged age and the total number of premium payment days set forth in Article 28 of the said Act.

Pursuant to Article 28 of the Act No.5510, old-age pension shall be granted to the individuals who are insured for the first time under this Act provided that the individual is over 58 if the individual is female or over 60 if the individual is male and that minimum 9000 days of invalidity, old-age and survivors' insurance premiums are notified. However, the number of premium days condition shall be applied as 7200 premium days for the insurance holders under Article 4/1-a.

In accordance with the said Article, there will be no change in retirement age condition until 2036. For the persons who will retire after 2036, the retirement age will gradually be raised to 65 for men in 2046 and for women in 2048.

Gradual increase in pensionable age under the Act No. 5510:

Years	Pensionable Age	
	Female	Male
1/1/2036 - 31/12/2037	59	61
1/1/2038 - 31/12/2039	60	62
1/1/2040 - 31/12/2041	61	63
1/1/2042 - 31/12/2043	62	64
1/1/2044 - 31/12/2045	63	65
1/1/2046 - 31/12/2047	64	65
as of 1/1/2048	65	65

When applying age limits, for the individuals who are insured under this Act for the first time, the pension age will be determined on the date on which 7200 premium days for employees under an employment contract (4/1-a) and 9000 premium days for the self-employed and public servants (4/1-b and 4/1-c respectively) are completed.

The insured persons that paid for 5400 premium days are also entitled to pension by way of adding 3 years more to the above-mentioned age limits.

The insurance holders, who had a sickness or invalidity to the extent requiring to be deemed to be disabled as per this Act before starting to work as insured for the first time and therefore cannot benefit from the invalidity pension shall be granted an old-age pension provided that they are insurance holders for a minimum of fifteen years and that minimum 3960 days of invalidity, old-age and survivors' insurance premiums are notified.

Based on the examination of reports and the medical documents prepared duly by the Health Boards of the providers of health care services authorized by the Institution, the insurance holders whose rate of loss in working capacity is found by the Institution Health Committee to be

- between 50% and 59%, shall have the right to receive old-age pension, provided that they are insurance holders for a minimum of 16 years and have notified 4320 days,
- between 40% and 49%, shall have the right to receive old-age pension, provided that they are insurance holders for a minimum of 18 years and have notified 4680 days

of invalidity, old-age and survivors insurance premiums, without fulfilling the age requirement of 58 for female and 60 for male. They could be subject to a medical examination according with the relevant article of the Act.

The age limit shall be applied as 55 for the insurance holders who are employed continuously or in rotations at least for 20 years in underground works of mining workplaces determined by the Ministry.

Insurance holders who have passed the age of 55 and are determined to suffer from premature aging shall benefit from old-age pension, provided that they fulfil the conditions other than age.

One fourth of the paid premium days after the enactment of this Act of the female insured persons, who apply for old-age pension and have disabled child to the extent of being in need of permanent care of another person, shall be added to the total sum of number of



premium payment days and these added periods shall also be subtracted from the retirement age limits.

The conditions for entitlement to the old-age pension of those insured before the entry into force of the Act No. 5510 have been preserved. Provisional Article 81 of the Act No. 506 for the insured under 4/1-a and Provisional Article 10 of the Act No. 1479 for the insured under 4/1-b have been kept effective by the Act No. 5510 and the insured persons mentioned above are granted pensions in accordance with the previous conditions.

The insured persons under 4/1-a and 4/1-b who had been insured for the first time before 1 May 2008 in terms of general conditions and before October 2008 in terms of special conditions:

For the insured under 4/1-b, the repealed Acts No. 1479 and 2926 did not have provisions regulating the entitlement to pension on special conditions. However, although there are special conditions for the insured under 4/1-a in the Act No. 506, those provisions were abolished by the Act No. 5510 but the same rights have been preserved for the previously insured by the provisional articles of the Act No. 5510.

Thus, the acquired rights of the workers who work in underground works of mining workplaces and who had become invalid before commencement of work as insured or who have been benefiting from tax relief are preserved by the Act No. 5510, if their working days consist 1800 days of underground work, and the provisions are set forth in the Act concerning the following insured persons:

- Under paragraphs five and six of Provisional Article 9, the insured persons who started to work in underground works of mining workplaces before October 2008 and have worked in underground works at least 1800 days prior to and post October 2008,
- Under first paragraph of Provisional Article 10, the insured persons who had been disabled when they were insured for the first time,
- Under paragraphs two and three of Provisional Article 10, the insured persons who have been benefiting from tax relief due to invalidity.

Moreover, Article 44 of the Act No. 5510 laid down special provisions regarding old-age entitlement for some of the insured under Article 4/1-c of the said Act. According to this, old-age pension is granted to

- the persons retired due to age limits in accordance with Article 40 of the Act No. 5434 if the number of contribution paid days is 5400,
- the persons retired pursuant to special laws as a result of not being promoted due to non-existence of cadres, without fulfilling age requirement if the number of premium paid days is 9000.

However, the old-age pension granted to the above-mentioned persons shall be charged to the public organisations that employed them until the number of premium paid days to which they are subject is completed and the age requirement to which they are subject is fulfilled.

In order to benefit from the above mentioned old-age benefits it is obligatory that the insured who have worked under an employment contract (4/1-a) need to apply after leaving their job, and that the self-employed persons (4/1-b) need to apply following their notification

of whether they close the economic activity on which the insurance is based, and that the insured persons who have worked as public servant (4/1-c) need to apply after having severed their ties upon obtaining their retirement approval from the competent authority.

In order to grant old-age pension to the self-employed persons (4/1-b), it is also obligatory that they do not have any premium due or any debt related with premiums arising from their own insurance status including universal health insurance premium as of the date on which they make their claim in written.

Conditions for old-age lump-sum payment:

Among the insurance holders who work under an employment contract (4/1-a) or are self-employed (4/1-b) or the persons who become insurance holders for the first time under 4/1-c pursuant to the said Act, those who quit work or close workplace for whatsoever reason and who don't have the right to be granted invalidity or old-age pension although the required age for pension is completed shall receive the sum of premiums notified for his/her name if they are under the coverage of 4/1-a and 4/1-c and the sum of invalidity, old-age and survivors insurance premiums of each year paid if they are under the coverage of 4/1-b in single payment after being updated with the actual update coefficient of each year, for the years from the year of the premium up to the date of written request.

### **Article 30**

Suspension and resumption of the payment of the old-age pension:

Suspension and resumption of the old-age pension and working subject to social security support premium consist of different practices for the first time insurance holders after the Act No. 5510 entered into force and the persons who have been insured pursuant to the abolished laws before the date, the said Act entered into force.

After the old-age pension has been awarded to a person who was insured for the first time after the said Act had entered into force, old-age pension payment will be suspended at the start of the payment period following the below-mentioned dates:

- the date on which one starts to work subject to the said Act or under a foreign country legislation except one works as self-employed on his own account and behalf in agricultural work,
- the date on which one starts to work in any cadre, position or office whatsoever at the public organisations indicated in the second paragraph of Article 30 of the Act No. 5335,
- the date of the report that is taken as the basis for the detection of the condition as a result of control examination that the loss of capacity to work of the insured who have been receiving old-age benefit due to the loss of capacity to work at the rate between 40% and 49% has dropped below 40%.

Pursuant to Article 81, premiums for the long and short term insurance branches on the basis of earnings that are determined as the base for premiums by Article 80 of the said Act and also premium for universal health insurance are charged to the persons mentioned above during their working period subject to the Act.

In accordance with the Provisional Article 1 of the Act No. 5510, the provisions of the laws that were repealed by this Act continue to apply when raising, reducing, suspending or

resuming the benefits and pensions, because of change of status, which were awarded by the abolished laws before the said Act's entry into force.

Therefore, suspension procedures for the old-age pensions awarded under the Acts No. 506, 1479, 2925 and 2926 are done in accordance with these abolished Acts. Without prejudice to the provisions of Article 30 of the Act No. 5335, pension is suspended if:

- the insured under 4/1-a works only under the coverage of 4/1-a while being subject to all insurance branches except the support premium for social security,
- the insured under 4/1-b pays all the premiums under 4/1-b, also except the support premium for social security.

The pensions of those, deemed to be insured under 4/1-a and 4/1-b, whose pensions were suspended in accordance with the provisions of Provisional Article 2 of the Act and the provisions of the repealed Acts prior to the entry into force of the Act No. 5510 as a consequence of starting to work again after having been awarded pension, shall be resumed and calculated pursuant to paragraph 3 of Article 30 of the Act No. 5510 upon the insured's written claim for resumption of the old-age pension after quitting job.

A legislative amendment entered into force with its publication in the Official Gazette on 10.02.2016 abolishing the payment of social security support premium.

## **PART VI**

### **Work Accident and Occupational Disease Benefits**

#### **Article 32**

Definition and notification for work accident have been regulated in Article 13 of the Law No. 5510. The self-employed persons (Article 4/b) have been covered by the said Law for the first time under the insurance branches of work accident, occupational disease, and maternity.

Work accident is the incident which occurs;

- when the insurance holder is at the workplace, (for 4/a and 4/b)
- if the insurance holder is working independently on behalf of his/her own name and account (for 4/a and 4/b) because of the work carried out by the employer,
- for an insurance holder working under an employer, at times when he/she is not carrying out his/her main work due to the reason that he/she is sent on duty to another place other than the workplace (for 4 a),
- for a nursing female insurance holder working on service contract (4/a) under this Law, at times allocated for nursing her child as per labour legislation,
- during commuting by a vehicle provided by the employer,
- and causes, immediate or delayed, physical or mental handicap to the insurance holder.
- The provisions concerning the service-disability apply to persons who have become insured for the first time under 4/c (public servant) following the Act No. 5510 enters into force in the cases below:

If an accident happens;

- during performing their own duties or other duties of any public administration they are charged to do by their principal administrative body rather than their main duties or in the case that they are performing to protect the interests of their institution,
- or during commuting by a vehicle provided by their administration,
- or due to occurrence of an accident at workplace,

the situation stipulated above is called service-disability and the persons who suffer the accident are called service-disabled.

Definition and notification of occupational disease have been regulated in Article 14 of the Law No. 5510.

Occupational disease refers to the temporary or permanent disease, physical or mental handicapped status, caused by a continuous reason emerging from the quality of the work performed by the insurance holder or by the working conditions.

It should be identified by the Institution's Health Committee that insurance holder has been captured occupational disease because of the work he/she performed by way of;

- examining the medical board of health report and the medical documents both duly prepared by the providers of health care authorized by the Institution,

- if found necessary by the Institution, examining the inspection reports, and other necessary documents, which clarify the working conditions of the workplace and the medical consequences based on it.

The situations which are going to be considered as occupational disease, the format and content of the work accident and occupational disease, the method for submitting the report, and other procedures and principles for the execution of this Article shall be regulated by the regulation to be issued by the Institution. Conflicts that may arise due to disagreement on which disease is deemed occupational disease for the ones other than those specified in the Regulation shall be decided by Council of Social Insurance Supreme Health.

### Article 33

The persons who are under the coverage are the actively working categories defined by the legislation:

The number of persons who are under the coverage of work accident and occupational disease insurance, persons receiving allowance due to work accident and occupational disease occurred within the year and the number of widows and orphans receiving allowance as of the years of 2011-2015 are shown in the following table (for the insured under 4/a and 4/b):

Years	Persons under protection	Number of Insured Persons became incapacity of work within the year	Total number of persons receiving permanent allowance for incapacity of work	Total number of Survivors entitled allowance within the year	Total number of Survivors entitled allowance
2011	Contract Employees (4/a)* 11.547.134	2216	58.966	6.182	78.336
	Self-employed (4/b)*** 3.002.517	10	13	53	89
2012	Contract Employees (4/a)* 12.527.337	2.209	60.612	5.040	79.329
	Self-employed (4/b) : (**) 2.967.357	34	45	231	313
2013	Contract Employees (4/a)* 13.136.339	1.694	61.403	2.242	81.260
	Self-employed (4/b) (***) 2.760.917	11	64	130	440
2014	Contract Employees (4/a)* 13.967.837	1.509	62.097	3.377	83.768
	Self-employed (4/b) (**) 2.827.633	17	82	100	570
2015	Contract Employees (4/a)* 114.802.222	3.873**	65.361**	5.109**	85.112**
	Self-employed (4/b) (**) 2.833.039	33**	116**	76**	596**

(\*) Covers all insured under 4/a except the voluntarily insured.

(\*\*) Provisional figures in 2015.

(\*\*\*) Covers all insured under 4/b except the voluntarily insured.

The number of persons who are under the coverage of service-disability in respect of work accident and occupational disease insurance, persons entitled service-disability allowance due to work accidents and occupational diseases and the number of widows and orphans receiving allowance as of 2011-2015 are shown in the following table (for the insured under 4/c):

Years	Contributors	Persons for whom service-disability allowance entitled within the year	Total number of persons who receive service-disability allowance	Total number of survivors and orphans receiving service-disability allowance
2011	2.554.200	35	6.608	_*
2012	2.662.608	44	6.858	_*
2013	2.823.400	61	6.921	_*
2014	2.910.148	145	11.536	_*
2015	3.032.971	182	11.939	_*

(\*) Data could not be compiled.

Distribution of insured persons according to work accident and occupational disease as of successional years of 2011 and 2015:

Years	Persons under protection	Work accident incidents	Occupational disease incidents	Total number of incidents
2011	11.547.134	69.227	697	<b>69.924</b>
2012	12.527.337	74.871	395	<b>78.266</b>
2013***	13.136.339	191.389	351	<b>191.740</b>
2014***	13.967.837	221.366	494	<b>221.860</b>
2015***	14.802.222*	241.377**	373**	<b>242.750**</b>

(\*) Covers all insured under 4/a except the voluntarily insured.

(\*\*) Provisional figures in 2015.

(\*\*\*) For 2012 and previous years, the incidents of work accident were based on the figures according to the cases which payment was completed. Figures related to all work accidents have been given as of 2013 since the electronic notifications are kept on digital data base.

## Article 34

The health care benefits to be provided in the cases of work accidents and occupational diseases still remain the same as long as the health condition of the insured person is in the need. The health care benefits to be provided due to work accidents and occupational diseases are supplied by the Institution. No contribution payment is required for the health benefits and no condition for premium days for benefiting from the health services is required under universal health insurance. For the health benefits provided by the Institution see Part II.

The following are the rights provided by work accident or occupational disease insurance:

- Daily allowance for temporary incapacity for work to the insurance holder during the period of incapacity of work.
- Entitlement incapacity for work income permanently.
- Granting income to the survivors of the insurance holder who died because of the work accident or occupational disease.
- Giving marriage bonus to female children, who have been entitled pension.
- Giving funeral benefit to insurance holder who died because of work accident or occupational disease.

### **Article 35**

An insured person who suffers a work accident may go to the closest hospital. In the case of occupational disease, the necessary examinations and treatments are carried out by the health facilities authorized by the Ministry of Health.

### **Article 36**

Temporary incapacity for work allowance is paid daily to the insured person who suffers temporary incapacity for work due to work accident or occupational disease, on condition that a medical certificate for rest is obtained from a physician or medical units authorised by the Institution. For deserving rights to the benefits due to work accident, no probation period is required.

An insured person, who lost his/her earning capacity in profession because of occupational disease or disability caused by work accident or occupational disease is determined by medical report issued by the medical board of a health service provider authorised by the Institution, is entitled to the allowance of permanent incapacity for work.

In case of re-treatment of the insured who entitled to permanent incapacity for work, the rate of loss of earning capacity is re-determined in accordance with the medical reports of medical boards.

In order to be entitled to allowance for permanent incapacity for work, it is not conditional for an insured person to quit the job, to close or transfer the business or having worked for a certain period of time.

But, self-employed (4/b) is obliged to complete his/her premium debts in order to be entitled to allowance for permanent incapacity for work. This applies to work accidents and occupational diseases which occurred after 01.10.2008 since work accidents and occupational diseases insurance for self-employed (4/b) have been included into the scheme and enacted first time by the Law on above date.

The public servants suffering service-disability due to work accident or occupational disease, those whose loss of capacity of work is at least 60% or assessed by the Health Committee of the Institution that they have lost their capacity for work to the extent that they are unable to carry out their duties properly are deemed service-disabled.

The pension for service-disability shall be granted by way of calculation on the basis of total premiums to be found by adding the nominal service terms; if they are  
-up to 10800 days, over 10800 days,  
-more than 10800 days, over the total number of paid premiums,  
and the final earning subject to premium will be taken into calculation and also raises will be added at rates based on their degree of disability.

Calculation of pension in respect of work accident and occupational disease insurance is as follows:

In case of full incapacity for work; Daily Earning (DE) x 30 x 70% or, in brief, DE x 21;  
In case of partial incapacity; Daily Earning (DE) x 30 x 70% x Degree of Permanent Incapacity of work (DPI) or, in brief, DE x 21 x DPI.

Pension to be granted to the insurance holder in the case of permanent partial incapacity for work shall be calculated as the same for the pension of full incapacity for work. But, the payable amount is the amount corresponding to the degree of incapacity for work of that full figure.

If the insured person is in the need of someone's care, pension entitlement rate is increased to %100 then %70. So the calculation is formulated as Pension=DE x 30 x 100% x DPI.

Above mentioned allowance is calculated as from the last calendar month considered in daily earning calculation. It is determined according to this Law. See Part V, Article 28 (increasing incomes and pensions) by increasing in between the last calendar month taken into consideration in daily earning calculation and the commencement date of allowance.

Definition of daily pension:

The daily earning to be the basis of the income of the disabled person is calculated by way of dividing the total earnings which constitute the basis for the premiums to be calculated, in accordance with this Law, in the last three months within twelve months prior to the date of the work accident or in the case of occupational disease prior to the starting date of the incapacity for work, by the number of premium paid days which constitute the basis for these earnings.

The lower and upper limits of permanent incapacity allowances calculated according to the variables in daily income limits within the period are shown below:

Period	Permanent incapacity allowances	
	Lower limit (TL)	Upper limit (TL)
July-December 2011	27,90 x 21 = 585,90	181,35 x 21= 3.808,35
January-June 2012	29,55 x 21 = 620,55	192,08 x 21 = 4.033,58
July-December 2012	31,35 x 21 = 658,35	203,78 x 21= 4.279,28
January-June 2013	32,62 x 21 = 685,02	212,03 x 21 = 4.452,63
July-December 2013	34,05 x 21 = 715,05	221,33 x 21= 4.647,83
January-June 2014	35,70 x 21 = 749,70	232,05 x 21 = 4.873,05
July-December 2014	37,80 x 21 = 793,80	245,70 x 21= 5.159,70
January-June 2015	40,05 x 21 = 841,05	260,33 x 21 = 5.466,83
July-December 2015	42,45 x 21 = 891,45	275,93 x 21= 5.794,43
January-June 2016	54,90 x 21= 1.152,90	356,85 x 21 = 7.493,85

Notes:

- 1- Additional allowance is not included in the calculated incomes
- 2- Amounts of income calculated on daily minimum and maximum incomes in the period of the last calendar month of October 2008 and thereafter.



The amounts of minimum and maximum allowance between the periods of July 2011 and June 2016 provided in line with the indicator system (year 2000-prior to the Act No. 4447). (Social assistance of 4,69 TL is included)

Period	Increase rates	Monthly minimum allowance (TL)	Monthly maximum allowance (TL)
July-December 2011	4,00 %	890,92	1.296,12
January-June 2012	6,79 %	951,40	1.384,13
July-December 2012	1,95 %	969,96	1.411,12
January-June 2013	4,14 %	1.010,12	1.469,54
July-December 2013	4,00 %	1.050,52	1.528,32
January-June 2014	3,27 %	1.084,87	1.578,30
July-December 2014	5,70 %	1.146,71	1.668,26
January-June 2015	2,33 %	1.173,43	1.707,13
July-December 2015	Following application of 4,76% increase, 100.-TL additional for those up to 1.000.-TL and for the amounts between 1.000.-TL- 1.100.-TL a difference is complemented to amount 1.100.-TL are added.	1.229,29	1.788,39
January-June 2016	Additional to 3,86% increase of consumer price index extra amount of 100.-TL is added.	1.376,74	1.957,42

Note: 100.- TL raise was given in January 2016 applied at DPI rate for permanent incapacity income and rate of DPI is adopted as 100%.

#### Lower Limit of Income:

Supervision of lower limit for work accident and occupational disease allowance is envisaged only for the insured persons in need of permanent care of another person. Allowances to be granted to the insured persons in need of permanent care of another person shall not be less than 85% of the monthly amount of the lower limit of earning subject to premium.

Lower limit of income = Daily minimum earning x 30 x 85%

#### Commencement and discontinuation of permanent incapacity for work allowance:

The allowance of the insured starts at the beginning of the month following the date of

- temporary incapacity of work allowance of the insured person ends;
- medical certificate issued by medical board of health on condition that if the insured has become permanently incapacity for work without any definition for temporary incapacity of work.

In order to grant permanent incapacity for work allowance to the self-employed insured person (4/b), it is required that all premium debts in relation to any premium obligations including universal health insurance as well should have been paid. Even though

the premium debts are paid mainly prior to allocation process of income in principle, paying debts on a later date does not change the starting date of the income. The incomes shall be started at the beginning of the month following the above mentioned dates.

Permanent incapacity for work allowance is stopped upon clarification of the status by the result of the control examination carried out in accordance with Article 94 of the Law that the status of permanent incapacity for work has ended, than the allowance discontinues at the beginning of the payment period following the issuing date of the medical report considered as the basis for the new condition of the insured person.

### **Article 37**

Notification of work accident:

- contract workers (Article 4/a) and insured persons covered by work accident and occupational disease should be notified immediately to authorized police forces of that location about incident and to the Institution within maximum three working days following the case.
- self-employed (Article 4/b) in person within three working days following the date on which his/her incapacity does not hinder to make notification but not later than one month should notify the case to the Institution directly or via registered mail together with a work accident or occupational disease declaration document.

Notification obligation for contract worker (4/a) starts as of the time when the incident is known in case that if the accident occurs at a place where the supervision of that working place is not available by the employer.

Notification of an occupational disease:

- The employer, who learns or is informed that an occupational disease has developed in the service contract (4/a) insurance holder and the insured persons covered by work accident and occupational disease insurance,
- and the insurance holder in person of self-employed, (4/b),

are obliged to inform the Institution within three working days starting from the date of being informed of such a situation together with a work accident or occupational disease declaration document.

Death benefit is granted to the survivors of the deceased insurance holder whose incident has occurred as a result of work accident or occupational disease while they were insured under the coverage of 4/a and 4/b of the Act No. 5510.

Survivors of deceased person insured by work accident and occupational disease is granted an income of 70% of the monthly earning which is determined in accordance with this Law due to causes related to work accident or occupational disease.

Survivors are entitled permanent incapacity for work allowance at a rate of their shares when deceased person who died because of the reason which is not related to work accident and occupational disease while receiving permanent incapacity for work allowance because of

50% loss of his/her earning capacity in profession as a result of work accident and occupational disease.

The incomes granted are raised as much as the increase rate of general consumer price index (CPI) of the latest base year declared by the Turkish Statistical Institute in comparison to the previous 6-month period to be valid as from the payment days of January and July that is applied each year in raising incomes and/or pensions granted according to this Law and they are allocated in line with the proportion of their shares envisaged by Law. See Part X, Article 62.

Widow and orphan pension are granted to the survivors of the contributor, among the public servants subject to the provisions of the Act No. 5434, who has deceased due to work accident or occupational disease (service-invalidity). For the rates of pensions granted to widows and orphans see Part X. Article 62.

### **Article 38**

A temporary incapacity to work allowance is granted to the insured person under the coverage of 4/a and 4/b for each day for the duration of incapacity to work as from the date the incapacity to work starts in the case of they suffer temporary incapacity to work due to work accident or occupational disease. For the limits to the earnings as the basis for temporary incapacity to work allowances and the amount of daily temporary incapacity to work allowance see Part III, Article 16.

In case of starting to work again, the permanent incapacity to work income granted under short term insurance branches are paid to the insured without discontinuation.

The income discontinues at the beginning of the payment period following the date of the medical certificate on which the new condition of the insured based, in the case of disappearance of the permanent incapacity to work condition is found as a result of periodical control examination executed in accordance with Article 94 of the Law.

See Part III, Article 18 for the information on discontinuation of benefits generated from work accidents or occupational diseases to insured under the coverage of 4/a and 4/b 4/a and 4/b.

Temporary incapacity to work allowance is not granted to the insured under the coverage of 4/c (working for public administrations) during temporary incapacity to work condition that occurs in relation with work accident, occupational disease, sickness and maternity. Because they do not experience any loss of income, they continue to receive their salaries.

To the insured people like this, service-disability pension is granted because of work accidents or occupational diseases and these pensions are paid as long as they are alive and necessary health care assistance is provided to them.

There is no waiting-period regarding whether the occurrence of invalidity creates incapacity to work. The provisions pertaining to service-disability apply to the concerned person on the basis of the provisions of Law according to the formation of disability in the

case of the incapacity in question is documented by a medical board certificate of a general hospital medical board.

The incapacity to work pension of those who receive their pensions pursuant to the provisions of the Act No. 5534 discontinues at the beginning of the month following the date they start to work in the case they start to work as insured under the coverage of 4/c of the Act No. 5510.

In addition to that, the pensions of those whose disability is diagnosed as temporary will discontinue as from the beginning of the month following the date the diagnosis is identified in the case their disability is found entirely disappeared as a result of periodical examination.

Among the first time insured who are granted with service-disability pension under 4/c of the Act No. 5510 before October 2008, the pensions of those, who receive service-disability pensions in accordance with Anti-terror Law, the Law on Cash Benefit and Replacement and disabled veterans, and who start to work under 4/a and 4/b of the Act No. 5510 shall continue to be paid. According to Anti-terror Law, the pensions of those who start to work shall discontinue as from the beginning of the payment period following the date of their starting to work and, long term insurance branches apply to them.

Long term insurance branches apply to those who work without discontinuation of their pensions under the coverage of 4/c while the provisions of work accident and occupational disease insurance branch apply to those who work under the coverage of 4/a, and 4/b.

Pertaining to discontinuation of assistance to take place in case of Work Accidents and Occupational Diseases according to Chapter VI, Article 68 of the Code and (f) clause in conjunction with paragraph 38 states the cut of assistance in the event of serious negligence:

The responsibility which requires the cut of one third of temporary incapacity to work allowance of insured is arranged in the article of 22/1(b) of Law No. 5510, forms its expression as "gross defective" not serious negligence". Within the context of this provision and according to implementation of Article 22 of the Law No. 5510 for the initial paragraph of (b) clause;

- In the court verdict, if the event has been transferred to the court,
- In case previously arranged with audit reports,
- In physician reports,
- In the statements of the minutes or documents of public institutions and organizations pursuant to their tasks, pointing out that the insured is seriously flawed for that, in the case that short-term insurance units (social security centres) determine the gross defectiveness of the insured and to impose reductions in temporary incapacity benefit pursuant to Article 22/1(d),

is sufficient.

However, if no expression takes place as per serious defect in the information and documents as listed above, it should be also examined if the event can be referred as serious defects according to the second paragraph of Regulation on Social Insurance Transactions Article 44 that reads as "the circumstances that form the basis of gross defect".

The insured person is considered to have gross negligence if s/he;

- 1- has not obeyed the occupational and individual health and safety rules,
- 2- has behaved as causing dangerous results or a disease problem which could be foreseen,
- 3- has acted against the order given by authorized individuals, has neglected a required work,
- 4- has been acting intentionally and willingly notwithstanding any permission based on no need or benefit to the business,
- 5- has neglected a required responsibility,

is regarded as mainly gross negligent.

Each event should be evaluated in terms of own concrete conditions in accordance with pertinent provisions whether the insured had gross negligence can be regarded by the units (social security centres).

Although not having the documents referred to in case of the above article on the incident, through the statements of insured or of the other party, organized by the law enforcement forces to be transferred to the unit on the event information and the insured certified by information obtained through research to be done based on denunciations and complaints with documents to be seriously flawed, in case of a determination that undue payments can be made, by the Commission or short-term insurances service, a supervision is requested.

Temporary incapacity to work allowance is paid by reducing one third without a request on supervision, in case these documents prove the insured's gross negligence and degree of defects based on the degree of negligence. If the gross negligence expressed in the document does not include the degree of fault, the transaction is processed through deduction by 5% in accordance with the subparagraph (b) of the first paragraph of Article 44 set out in the Regulation on Social Insurance Operations.

Even though the expressions such as "defect", "gross negligence" are used in some court decisions, "gross negligence" determination cannot be rendered from all court verdicts because the condition of the verdict does not necessarily specify the gross negligence as the matter sought in the Law No. 5510 Article 22/1 (d) is not binding for court decisions. Therefore, as mentioned above, if the court decision expresses no provision on gross negligence, an analysis of other information and documents is conducted related to the regulation's pertaining provision.

For example, if the court's decision on the insured who had the work accident, implies that the insured had the responsibility for 30% of gross negligence that occurred in the specified accident; temporary incapacity to work allowance that the Institution has to pay is transferred by reducing for %10 (which is determined as the ratio of gross negligence rate of 30% gross negligence attributable to one-third). (if full negligence for 33,3%; in case being for 75% negligent of 25% ... etc.).

## **PART VII**

### **Family Benefits**

#### **Article 40**

Family benefits are not included in the Law No. 5510. However, the insured under 4/c of the same Law are paid family assistance allowance by the organisations they work for pursuant to Law No. 657.

The family assistance allowance pursuant to the Law No. 657, the beneficiaries of the civil servant (4/c) are as follows;

- Spouse who does not work for any interest by any means and does not receive pension from any social security scheme and
- Children (including step children, there is no limit for the number of children).

#### **Article 41**

Covers those under the coverage of 4/c considered insured public servants (active insured) under Law No. 5510.

Number of those who are under protection in terms of family assistance by the end of the year for the audit period:

<b>Years</b>	<b>Number of Individuals under Protection (Under the insurance coverage of 4/c) *</b>
2011	2.554.200
2012	2.662.608
2013	2.823.400
2014	2.910.148
2015	3.032.971

(\*) Source: SSI Monthly Statistics Bulletin (December 2015).

#### **Article 42**

Conditions of Entitlement for Benefits:

Family assistance allowance is paid to public servant who is married. A public servant is entitled to family assistance allowance at the beginning of the month following the date of his/her marriage and to the payment for child at the beginning of the month following the birth date of the child.

#### **Article 43**

There is no qualification period to be entitled to family assistance allowance. The public servants benefit from the family and child assistance allowances as long as they meet the necessary conditions.

## Article 44

The indicators of allowance:

Family allowance is paid at the amount found by way of multiplying the indicators 2.134 and 250 for spouse and child respectively with the salary coefficient determined in accordance with the Law No. 657.

Family allowance for child is paid in different amounts for children under 6 years and for children over 6 years (It is paid with an incrementally increased rate for children between the 0-6 age group, including 72 months)

The amounts of family allowances paid to public servants in the period in question:

Period	Amount of family allowance for spouse (TL)	Amount of family allowance for child under 6 years old (TL)	Amount of family allowance for child over 6 years old (TL)
July-December 2011	137,56	32,23	16,12
January-June 2012	146,89	34,42	17,21
July-December 2012	152,77	35, 80	17,90
January-June 2013	157,57	36,92	18,46
July-December 2013	163,87	38,40	19,20
January-June 2014	164,31	38,50	19,25
July-December 2014	169,24	39,66	19,83
January-June 2015	177,30	41,54	20,77
July-December 2015	189,54	44,4	22,20

## Article 45

Public servants lose the right to family assistance allowance in the cases below:

Family allowance for spouse, when divorced from spouse or when spouse is deceased.  
Family allowance paid for child, when the child

- is married,
- attains the age of 25 (the allowances continue to be paid indefinitely for daughters who are not married even though attained the age of 25 and the children whose invalidity to work is determined by a medical report of an official medical board),
- doing trade on his/her own account or work for interest for natural or legal persons by any means,
- receives scholarship or schooling expenditures borne by state.

## PART VIII

### Maternity Benefits

#### Article 47

Maternity status is regulated in Article 15 under the title of “Sickness and maternity status” of the Law No. 5510.

Accordingly, sickness and invalidity status of a female insurance holder who works on the basis of a service contract (4a) and who works on her own name and account (4b) or an uninsured spouse of a male insurance holder, or a female who receives income or pension as a result of her own self-employment or an uninsured spouse of a male insurance holder who receives a pension, related with the pregnancy or maternity status, starting from the date of pregnancy up to the first eight weeks or, in case of multi delivery, up to the first ten weeks following delivery, shall be considered as maternity status.

#### Article 48

Persons under protection;

Maternity insurance payments cover female insurance holders who work under a service contract (4a) or work on her own name and account (4b) or an uninsured spouse of a male insurance holder, or a female who receives income or pension as a result of her own self-employment or an uninsured spouse of a male insurance holder who receives a pension.

The provisions of the Law No. 5510 regarding the short term insurance branches shall not apply to the insured under the coverage of 4/c as long as they are under this status. Therefore, public servants (4/c) cannot benefit from the maternity benefits which are considered within the coverage of short term insurances.

Changes regarding persons under the coverage of maternity insurance for 2011-2015 period and maternity incidents during the years:

Years	Number of individuals under the coverage of maternity insurance			Number of maternity incidents during the year		
	Female	Male	Total (**)	Insured female	Spouse of the insured individual	Total
2011	-*	-*	21.103.255	83.989	380.872	464.861
2012	-*	-*	22.380.776	91.730	385.663	477.393
2013	-*	-*	23.023.608	100.661	476.670	577.331
2014	-*	-*	24.194.214	130.864(***)	371.193(***)	502.057(***)
2015	-*	-*	25.448.415	-	-	-

(\*) Data has not been collected.

(\*\*) Insured persons on the basis of service contract (4/a), independently working insured persons (4/b) and the insured who receive income or pension under the same coverage (voluntarily insured, apprentices and agricultural insured outside the scope).

(\*\*\*) The data belong to year 2014, since the data for 2015 are at compilation stage.



## **Article 49**

The benefits provided under maternity insurance;

These benefits are ruled by Article 16 of this Law on “the rights provided by work accidents, occupational diseases, sickness and maternity insurances”.

Accordingly;

- Daily temporary incapacity allowance shall be given to the insurance holder, during the temporary incapacity period arising from sickness or maternity status, from the maternity insurance.
- Nursing benefit applicable by the date of delivery, over the tariff determined by the Board of Directors of the Institution and approved by the Minister of Labour and Social Security, shall be payable from the maternity insurance to the female insurance holder or to the male insurance holder due to his uninsured spouse giving birth, and, among the insurance holders, to the female insurance holder receiving income or pension due to her own work activities or to the spouse of male insurance holder receiving income or pension, for each newly born child, provided that the child lives.
- Health-care services are provided in pursuance of this Law.

According to Article 63 of the Act No. 5510, the health care services provided by the maternity benefit program are as follows:

Due to maternity, inpatient or outpatient examinations of the physician, clinical examination required for the diagnosis upon the request of a medical doctor, laboratory examinations and analyses and other diagnostic methods, medical operations and treatments to be applied based on the diagnosis, patient follow-up, uterus discharge, medical sterilization and emergency health-care services, medical care and treatments to be applied by health professionals pursuant to relevant laws based on the decision of the physician.

The provisions related with the short term insurance branches of the Law do not apply to women who work in public administrations, mentioned in Article 4 of the Law No. 5510. While the health-care of female public personnel and their dependents were covered by their own Institution, public personnel and their dependents' health care has been provided by the Social Security Institution under the general health insurance since 15/01/2010 according to the “Regulation on the Transfer of the Public Personnel’s Health Care to the Social Security Institution” published in Official Gazette dated 31 December 2009.

## **Article 50**

Temporary incapacity allowance is paid to female insurance holder for each day she does not work during the period of incapacity to work which occurs due to maternity condition. The amount of temporary incapacity allowance is determined by the daily earning which constitutes the basis for the premium of the insured. Accordingly, the amount of temporary incapacity allowance granted daily for inpatient treatment is the half of the amount calculated in accordance with this Law and the two-thirds for outpatient treatment. The limitations to daily earning which constitutes the basis for the temporary incapacity allowance paid for each day the insured person does not work and the amounts paid are shown in PART III on “Sickness benefits”.

In the period under examination, the amount of breastfeeding maternity allowance determined by the Governing Board of the Institution on the tariff approved by the Minister of Labour and Social Security for insured female or uninsured spouse of a male persons on the basis of service contract (4/a) or independently working insured persons (4/b) :

<b>Years</b>	<b>Breastfeeding Maternity Allowance Amount (TL)</b>
2011	80
2012	89
2013	95
2014	103
2015	112
2016	122

Women employed in public administration (4/c) are not paid a temporary incapacity allowance because their salaries are paid during temporary incapacity period due to maternity; in other words they are not exposed to any loss of income.

However, female public servants (4/c) are paid childbirth allowance by their own administrations. The amount of the maternity benefit is calculated by multiplication of the indicator of 2500 with the income coefficient applied to the salaries of the public servants. The benefit is paid upon the application of the female public servant and upon submitting of the report of birth.

In the period under examination, the childbirth allowance amount paid to women employed in public administration (4/c) who has a child:

<b>Term</b>	<b>Delivery Allowance Amount (TL)</b>
July-December 2011	161,15
January-June 2012	172,09
July-December 2012	178,97
January-June 2013	184,59
July-December 2013	191,98
January-December 2014	192,50
January-June 2015	198,57
July-December 2015	207,75
January-June 2016	222,04

## **Article 51**

The requirements in benefit from maternity allowances:

- In order to grant daily temporary incapacity allowance to a female insurance holder due to maternity condition during the period of incapacity;

The female insurance holder working on the basis of a service contract (4/a), village and district headmen and independently working on her own account (4/b) are required not to have lost her eligibility as insured the date they leave for rest and their premiums for short term insurance have been notified for at least 90 days within the year prior to delivery.

Besides, in order to grant a female insurance holder covered under 4/b the temporary incapacity allowance in the case of her maternity, any kind of her debts regarding premiums including the premium for universal health insurance are required to have been paid.

- In order to grant the breastfeeding allowance to a female insurance holder or a male insurance holder in the case of his uninsured spouse gives birth to a child;

The insurance holder working on the basis of a service contract (4/b), village and district headmen and independently working on her own account (4/b) are required that the premiums for short term insurance have been notified for at least 120 days within the year prior to delivery.

Besides, insurance holders covered under 4/b are required that any kind of their debts regarding premiums including the premium for universal health insurance to have been paid.

- The number of paid premium days are not required for the health-care services provided in the case of maternity since the status of maternity, according to the Law, is considered within the exceptional circumstances of benefiting from health care services.

## **Article 52**

The female insurance holder working on the basis of a service contract (4/a), village and district headmen, and independently working on her own account (4/b) shall be paid the temporary incapacity allowance during the days they do not work in the case of her maternity status for the 8-week periods prior to and post-delivery, and in the case of multi delivery by adding 2 more weeks to the 8-week period prior to delivery.

The temporary incapacity allowance shall be granted during periods added to the post-delivery rest period for the periods in which she cannot be forced to work but she could not benefit as a result of giving premature birth of the female insurant under this coverage and for the periods in the case of her working until three weeks to delivery with the consent of the female insurant and with the approval of a physician.

Excluding those who are legally insane and the ones who have acceptable excuse, in the cases of prolongation of regular treatment or increase in incapacity or becoming disabled as a result of failure of the insured to comply with the treating physician's measures and recommendations for work accident, occupational disease, sickness and maternity, the Institution pays by reducing up to one quarter of the temporary incapacity allowance or permanent incapacity income to be paid to the insurant on the basis of the prolonged period of treatment or the increased rate of disablement if these issues are confirmed and documented by a medical certificate.

## **PART IX**

### **Invalidity Benefit**

According to the Act No. 5510 on Social Insurances and Universal Health Insurance, the insurance holder, who is determined by the Institutions Health Committee to have lost working capacity or minimum 60% of the earning capacity in profession due to work accident or occupational disease for insurance holders under 4a (employee on the basis of a service contract) and 4/b (self-employed) and to have lost minimum 60% of the earning capacity in profession or at a degree which does not allow him/her to carry out his/her duties for the insurance holders under 4/c (employees in public administrations), as a result of examining the reports and the medical documents prepared duly by the providers of health care services authorized by the Institution, upon request of the insurance holder or the employer, shall be deemed to be disabled.

However, the insured cannot benefit from invalidity pension for his/her illness or disability if it was detected previously or subsequently that s/he lost his/her working capacity with a rate of 60% or lost earning capacity in profession at a degree which does not allow him/her to carry out his/her duties before the starting date of employment.

It is stipulated that the staff members, subject to personnel laws, among the insured under 4/c of this Law, whose sickness continue more than the duration determined by law, and those among the insured under 4/c, who are not staff members of whom the duration of their sickness that constitutes the basis for their being deemed to be disabled is determined by the Social Security Institution Health Committee as expired by way of applying the provisions of the Act No. 657 on sick leave to them until the entry into force of their specific law, are deemed to be disabled.

## Article 55

The persons under protection are the working ones in the categories determined by legislation. The information on those within the scope is as follows:

Those protected by invalidity insurance as of 2011-2015, the number of persons put on invalidity pension and the total number of persons receiving invalidity pension:

Years	Protected	Persons put on invalidity pension	Total number of persons receiving invalidity pension
2011	Service contracted (4/a): 11.216.087*	5.171	67.575
	Self-employed (4/b): 3.273.297**	2.286	17.748
	Public servants (4/c): 2.554.200	583	24.059
2012	Service contracted (4/a): 12.186.120*	5.726	68.593
	Self-employed (4/b): 3.162.914**	2.764	19.358
	Public servants (4/c): 2.662.608	491	24.290
2013	Service contracted (4/a): 12.780.622*	5.558	69.153
	Self-employed (4/b): 2.927.250**	2.194	18.639
	Public servants (4/c): 3.032.973	405	24.528
2014	Service contracted (4/a): 13.579.592*	7.921	71.688
	Self-employed (4/b): 2.943.837**	3.245	19.865
	Public servants (4/c): 2.910.148	769	24.688
2015(****)	Service contracted (4/a): 14.379.388*	7.688	73.004
	Self-employed (4/b): 2.938.034**	3.151	20.727
	Public servants (4/c): 3.032.971	912***	25.070***

(\*)Includes part time employed and the insured in agriculture.

(\*\*)Includes voluntarily insured and insured village headmen.

(\*\*\*)Those put on common invalidity pension within the year and their total.

(\*\*\*\*) Temporary realization in 2015.

## Article 56

Invalidity pension is paid to the insured person who is considered to be invalid by the Law.

The pension calculation system introduced by the Act No. 5510 is the same for old-age, invalidity and survivors' insurance but there is difference between calculations of replacement rates. Replacement system is not repeated in this section since it is explained in the section on the calculation of old-age pension, the determination of the replacement rate of invalidity pension is revealed in this section exclusively.

The income replacement rate for the insured entitled to get invalidity benefit is:

-40% of the average monthly income for employed through a service contract (4/a) (for ones who has paid premiums less than 7200 days);

-50% of the average monthly income for self-employed (4/b) (for ones who has paid premiums for less than 9000 days).

This rate is increased by 2% for each full year that exceeds 7200 or 9000 days. In calculation of income replacement rate, durations less than 360 days is considered comparatively. If the insured person is dependant to permanent care, the determined replacement rate will be increased by 10 points, but it cannot exceed 90%.

In terms of the premiums to be paid, the conditions of income replacement, the calculation of the income, update coefficient, income replacement rate for the public servants (4/c) hired after the enforcement of the Law No. 5510 are subject to the provisions applicable to the self-employed insured (4/b) and the insured who is employed through a service contract (4/a).

The amounts of invalidity pensions paid to insured under 4/a in the period in question (additional allowance is not included in the monthly amounts):

Period	Invalidity Pension	
	Lowest amount (TL)	Highest amount (TL)
July-December 2011	702,97	2975,96
January-June 2012	668,92	3178,03
July-December 2012	681,96	3240,00
January-June 2013	370,99	3374,14
July-December 2013	385,83	3509,11
January-June 2014	375,53	3623,86
July-December 2014	396,94	3830,42
January-June 2015	406,19	3919,67
July-December 2015	506,89	4106,25
January-June 2016	623,41	4364,75

The amounts of invalidity pensions paid to insured under 4/b (self-employed) (additional allowance is not included in the monthly amounts):

Period	Based on Law No.1479		Based on Law No.2926	
	Lowest amount (TL)	Highest amount (TL)	Lowest amount (TL)	Highest amount (TL)
July-December 2011	501.63	1792.23	353.46	820.44
January-June 2012	462.35	1729.31	392.69	816.82
July-December 2012	432.95	1923.59	400.35	947.56
January-June 2013	490.88	2003.23	416.92	986.79
July-December 2013	455.76	2002.36	375.13	1026.26
January-June 2014	470.66	2067.84	387.40	1059.82
July-December 2014	378.47	2185.71	409.48	1286.63
January-June 2015	387.29	2236.64	419.02	1316.61
July-December 2015	505.73	2412.88	538.97	1379.28
January-June 2016	625.25	2606.02	659.77	1532.52

In accordance with the Law No. 5434, the lowest replacement rate is 60% for the contributor (public servant) who is considered to be invalid and has at least 10 years of employment period. This rate shall be increased by 1% for each full year after 10 years.

However the lowest limit of the replacement pensions is calculated for the rank 14 and 2nd level with 30 years of employment in accordance with Law No.5434.

Formula for invalidity pension

A= (Indicator + Additional Indicator) x (Coefficient)

B= Severance Pension

C= Base salary

D= Raises and Compensations

E= Income Replacement Rate

**IPF= (A+B+C+D) x E% TL/month**

**Example:**

According to the explanations above, the calculation of invalidity pension as of 15th January 2016 for a high school graduate public servant who has been working in general administrative services with level 1 and rank 4 and on the basis of +800 additional indicator for 12 years is as follows:

$$\begin{aligned}
 &\text{Rank and level} \\
 \text{A- } &\left( \frac{(4/1)}{915} + \frac{\text{Add.Ind.}}{800} \right) \times \frac{\text{Coeffic.}}{0,088817} = 152,32 \text{ TL} \\
 &\text{Severance} \\
 \text{B- } &\frac{\text{pension Ind.}}{20} \times \frac{\text{Service years}}{12} \times \frac{\text{Coeffic.}}{0,088817} = 21,31 \text{ TL} \\
 &\text{Base salary} \\
 \text{C- } &\frac{\text{Base salary Ind.}}{1000} \times \frac{\text{Coeffic.}}{1,390277} = 1.390,27 \text{ TL} \\
 &\text{Highest rank state official} \quad \text{Highest rank state official} \quad \text{Retirement} \\
 \text{D- } &\frac{\text{Ind.}}{1500} + \frac{\text{add. indicator}}{8000} \times \frac{\text{Coeffici.}}{0,088817} \times \frac{\text{compensati}}{\text{on rate}} = 464,07 \text{ TL} \\
 &\text{E- } 62\% \\
 &\text{Total: } 2.028 \text{ TL}
 \end{aligned}$$

$$\text{Invalidity Pension} = \frac{\text{Total}}{2.028} \times \frac{\text{Replacement rate}}{62\%} = 1.257,34 \text{ TL}$$

Although the invalidity pension of 1.257,34 TL is calculated based on 12 years of service, the invalidity pension cannot be lower than the pension of a retired person who has rank 14 and level 2 with 30 years of service in accordance with Article 19 of Law No. 5434 and so it is actually 1.555,95 TL.

See Part V for lowest limit pensions.

**Article 57**

Rights granted from the invalidity insurance and conditions to benefit are regulated in Article 26 of this Law and in order to be entitled to an invalidity pension, the insurance holder should;

- be considered to be invalid based according to this Law,
- be holding insurance for a period of minimum ten years and should have paid premium for a total of 1800 days or in the case of the insurance holder is disabled to the extent of being in need of permanent care of another person; should he/she has notified 1800 days of invalidity, old-age or survivors insurance premiums, without seeking any period for holding insurance,



- submit a written request to the Institution after quitting the work s/he was employed under insurance or after closing or transferring his/her workplace due to his/her invalidity

However, it is obligatory that the self-employed insured persons (4/b) have paid all premiums and any kind of debts related with premiums, including the general health insurance.

In order to grant invalidity pensions to the insured who are working in public administrations under the coverage of 4/c, they should have a minimum of 10 years actual service. In addition, a pension on the basis of 15 years of service is granted to the disabled who has at least 5 years of actual employment duration if they are among those who have an incurable invalidity and cannot sustain their lives without care and power of someone.

Any kind of probation period is required for entitlement to the service-disability pension introduced in place of work accidents and occupational diseases for those who have become public servants for the first time following the date of entry into force of the Law No. 5510. Pension of invalidity of official is granted to the insured deemed to be service-disabled in accordance with the situation stipulated in this Law.

### **Article 58**

According to this Law, for insured persons under 4/a and 4/b, in the case of entitlement to both invalidity pension and old age pension, the higher one or in the case of equality only old age pension is paid.

It is stipulated in Article 27 of the Law No. 5510 that invalidity pension will be cut if

- the concerned persons start to work in accordance with this Law or in accordance with another country's legislation
- the invalidity condition disappears as a result of control examination.

Premiums of general health insurance and premiums of short and long term insurance branches, in pursuance of Article 81, are charged on the basis of their earnings during their working period in accordance with Article 80 of the Law, from those whose pensions are cut due to starting to work as from the payment period following the date they start to work. The invalidity pension is recalculated and regranting to those who quit job and make a written claim for invalidity pension as from the payment period following the date of their claim on condition that they are held subject to control examination and found that the invalidity condition which constitutes the basis for previous pension continues.

The provisions of (a) and (b) subparagraphs of Paragraph 4 of Article 27 of the Law are applied in the calculation of the pension to be regranting to the insured persons under 4/a and 4/b, taking into account the number of paid premium days which was the basis for the pension previously granted.

According to the Law No. 5434, the invalidity pensions of those who start to work as insured within the scope of only 4/c of Law No.5510 will be cut from the beginning of the payment period following the date they start to work.

While getting paid with invalidity pension, the invalidity pension of the ones who start to work under this Law or another country's legislation will be cut at the beginning of the payment period from the date they start to work.

In addition, the Social Security Institution may require the insured granted with pension to be subjected to control examination as insured persons granted with invalidity pension in accordance with the Law No. 5510 might apply for a raise or change in their incomes claiming that there is an increase in their invalidity condition or they are in need of someone else's permanent care and, the invalidity pension may be raised, reduced or discontinued as from the beginning of the payment period following the date of medical certificate that is taken as the basis for their recently developed invalidity condition and invalidity pension according to the state of the invalidity re-determined as a result of control examination the Institution has it executed or upon the request of the insured person.

## PART X Survivors' Benefit

### Article 60

Following are the benefits provided by the survivors' benefits according to this Law:

- Survivors' pension.
- Lump-sum payment to the survivors of the deceased.
- Granting marriage support to daughters receiving pension
- Granting funeral benefit.

### Article 61

Protected individuals are actively insured who are designated by legislation (widow, children and parents of the deceased actively or passively insured person).

Number of protected persons, number of persons granted within the years and total number of receivers of survivors' pension through 2011-2015:

Year	Protected persons	Persons granted with survivor's pension within the year	Total receivers of survivors' pension
2011	Working on the basis of a service contract (4/a): 11.216.087*	124.073	1.531.014
	Self-employed (4/b): 3.273.297**	84.821	847.705
	Public servants (4/c): 2.554.200	30.215	566.049
2012	Working on the basis of a service contract (4/a): 12.186.120*	124.983	1.582.401
	Self-employed (4/b): 3.162.914**	65.938	896.174
	Public servants (4/c): 2.662.608	25.175	578.878
2013	Working on the basis of a service contract (4/a): 12.780.622*	120.170	1.635.705
	Self-employed (4/b): 2.927.250**	57.641	821.485
	Public servants (4/c): 3.032.973	17.166	592.332
2014	Working on the basis of a service contract (4/a): 13.579.592*	123.278	1.690.968
	Self-employed (4/b): 2.943.837**	66.696	841.920
	Public servants (4/c): 2.910.148	29.274	609.496
2015(***)	Working on the basis of a service contract (4/a): 14.379.388*	136.459	1.751.325
	Self-employed (4/b): 2.938.034**	78.641	873.329
	Public servants (4/c): 3.032.971	30.524	624.350

(\*) Including part-time workers and insured in agriculture.

(\*\*) Including village headman and voluntarily insured persons.

(\*\*\*) Temporary realization in 2015.

## Article 62

The pension calculation system introduced by the Law No. 5510 is the same for old-age, invalidity and survivors' insurance but there is difference between calculations of replacement rates. Replacement system is not repeated in this section since it is explained in the section on the calculation of old-age pension, the determination of the replacement rate of survivors' pension and the rate of survivors' shares are revealed in this section. For the calculation of pensions see Part V, Article 28.

Replacement rate of survivors' pension are as follows:

- 40% for insured working on the basis of a service contract (4/a) (for those who have less than 7200 paid premium days);
- 50% for self-employed (4/b) (for those who have less than 9000 paid premium days).

This rate is increased by 2% for each full year that exceeds 7200 or 9000 days. Durations less than 360 days will be considered proportionately when calculating the income replacement rate. However, the replacement rate shall not exceed 90%.

The shares for the survivors in accordance with this Law are as follows:

- 50% for the widowed spouse, 75% for the widowed spouse who has no children granted with survivor's pension in the case of s/he does not work under this Law or in accordance with another country's legislation or not granted with a pension or income as a result of his/her own insurance.
- Among the children who do not work under this Law or in accordance with another country's legislation or not granted with pension or income as a result of his/her insurance:
  - The ones not attained the age of 18; 20 if studying at high school or equivalent; 25 if studying at higher education, or
  - The ones found to have lost of their capacity to work and found having become disabled at the rate of 60% by the Institution's Health Committee, or
  - The daughters who are not married, married but divorced or widowed in whatever age they are, each shall be paid with 25% of the pension.
  - 50% is granted for each among those mentioned above who are left motherless and fatherless when the insured person dies or who later becomes the same, whose father and mother have no marital status or his/her mother or father later marries even if there was a marital status between father and mother when the insured person died and, who has no other survivor to be entitled to pension other than himself/herself.
  - In case of there is remaining share left from spouse and children, 25% of pension in total for the parents on condition that the income they gain from any earning and revenue is less than the net amount of minimum wage, and not being put on pension or income excluding the income and/or pension entitled

by other children, and 25% of pension in total for the parents if they are over 65 regardless of the remaining share.

Amounts of pensions at the lower limit (TL) granted to the survivors of the insured who dies before the effective date of the Law No. 5510:

<b>Period</b>	<b>Rate of increase</b>	<b>Single %80</b>	<b>One spouse %60</b>	<b>One child %30</b>
July-December 2011	4,00%	656,73	479,70	239,86
January-June 2012	6,79%	701,32	512,27	256,15
July-December 2012	1,95%	715,00	522,26	261,14
January-June 2013	4,14%	744,60	543,88	271,96
July-December 2013	4,00%	774,38	565,64	282,83
January-June 2014	3,27%	799,71	584,13	292,08
July-December 2014	5,70%	845,29	617,43	308,73
January-June 2015	2,33%	864,98	631,81	315,93
July-December 2015	After the increase at a rate of 4,76%, an additional 100 TL was added to the pensions which are still below 1000 TL (incl); and an appropriate amount was added to the pensions which are between 1000-1100 TL in order to equalize to 1100 TL.	922,54	674,20	337,11
January-June 2016	In addition to the 3.86% increase as the CPI, 100 TL was also added per file on equal basis.	1.038,15	760,22	380,12

*(It was increased by adding social assistance increase with a rate of 4,69% , but additional allowance is not included.)*

When calculating the survivor's pension granted in accordance with this Law after the death of the insured following the enforcement of the Law No. 5510 for the insured person who worked on the basis of a service contract (4/a);

- The pensions to be granted to the survivors cannot be less than 80% for one beneficiary, and 90% for two beneficiaries, of the transferred amount of the lower limit pension calculated in accordance with the provisions of the Law No. 506 repealed by this Law, with the monthly raises until the date of the commencement of the pension, if s/he has worked before 2000 under insurance.

The lowest amount of pensions granted to the beneficiaries in case of the survivor's pension of the insured person under 4/a is calculated by using the triple system (indicator+4447+5510) in the period in question (TL):

<b>Period</b>	<b>Increase rate</b>	<b>Single %80</b>	<b>One spouse %60</b>	<b>One child %30</b>
July-December 2011	4,00%	651,38	476,13	238,08
January-June 2012	6,79%	695,61	508,46	254,25
July-December 2012	1,95%	709,17	518,37	259,21
January-June 2013	4,14%	738,53	539,83	269,94
July-December 2013	4,00%	768,07	561,42	280,74
January-June 2014	3,27%	793,19	579,78	289,92
July-December 2014	5,70%	838,40	612,83	306,44
January-June 2015	2,33%	857,93	627,11	313,58
July-December 2015	After the increase at a rate of 4,76%, an additional 100 TL was added to the pensions which are still below 1000 TL (incl); and an appropriate amount was added to the pensions which are between 1000-1100 TL in order to equalize to 1100 TL.	921,07	673,69	336,88
January-June 2016	In addition to the 3.86% increase as the CPI, 100 TL was also added per file on equal basis.	1.036,62	759,69	379,88

*(Additional allowance amounts are not included)*

The pensions to be granted to the survivors cannot be less than 80% for one beneficiary, and 90% for two beneficiaries, of the transferred amount of the lower limit pension calculated in accordance with the provisions of the Law No. 506 repealed by this Law, with the monthly raises until the date of the commencement of the pension, if s/he has worked after 2000 under insurance.

Lower limit pension to be paid to the survivors in the case of the survivor's pension of the insured person under 4/a is calculated by using the double system (indicator+4447+5510) in the period in question:

<b>Period</b>	<b>Raise rate</b>	<b>Single person 80%</b>	<b>One spouse 60%</b>	<b>One child 30 %</b>
Jul-Dec 2011	4,00%	313,82	235,36	117,69
Jan-Jul 2012	6,79%	335,13	251,34	125,68
Jul-Dec2012	1,95%	341,67	256,24	128,13
Jan-Jul 2013	4,14%	355,82	266,85	133,43
Jul-Dec2013	4,00%	370,05	277,52	138,77
Jan-Jul 2014	3,27%	382,15	286,60	143,31
Jul-Dec2014	5,70%	403,93	302,93	151,48
Jan-Jul 2015	2,33%	413,34	309,99	155,01
Jul-Dec 2015	After a raise of 4,76% ones whose salary stayed under 1.000 TL are given a raise of 100 TL, ones whose salary is between 1.000-1.100 TL are given a raise enough to meet 1100 TL.	513,02	384,75	192,39
Jan-Jul 2016	In addition to 3,86% increase of CPPI it was been increased specifically in the amount of 100 TL on file basis.	612,82	459,60	229,82

*(Additional allowance is not added to the pensions. A raise of 60 TL is granted to the survivors in proportion to their shares.)*

Calculation of the allowances to be paid to widowers and orphans in accordance with the Law no 5434 which belong to the insured ones in public administrations under the coverage of 4/c of the Law No. 5510.

In accordance with the Law No. 5434 allowances to be paid to widows and orphans of public servants is in the form of a ratio of mortality (including on duty) payment to be given or given to the deceased and aging allowance.

In case of existence of spouses and children total amount of allowances to be paid cannot surpass %100 of deceased one's allowance.

Hence;

- Widow spouse without children is given 75%,
- spouse who is civil servant or receiving victimhood( on duty or mean), aging allowance from pension fund is given 50%
- Spouse in case of having spouse and one child is given 60% and child is 30%,
- Spouse is given 50% in case of having two children and per child is given 25%.
- In case of spouse is with two children and is with husband or wife, spouse is given 50% and per individual is given 25%.

- In case of absence of spouse one orphan is given 50%, two orphans are given 40% and in case of 3 orphans the allowance of the deceased one is given to them in equal shares,
- In case of absence of spouse and children mother or father entitled to allowance is given 50% of the allowance.

Formulate For Widow-Orphan Allowance

A= (Indicator+ Additional Indicator) x (Coefficient)

B= Severance Allowance

C= Base Allowance

D= Raise and Compensations

E= Allowance Payment Rate \*

**MAF= (A + B + C + D) x %E TL/Month**

**Example:**

In accordance with the explanations above calculation for instance of widow and orphan allowance paid to claimant spouse and two children of the deceased teacher as of the date of 01.05.2016 pensioned on the basis of his or her graduation from higher education institution, 25 years of service in teaching education services corresponding to 1<sup>st</sup> Degree 4<sup>th</sup> Rank plus with entitlement to a salary of 3000 as additional indicator;

$$\begin{array}{lcl}
 \text{A-} & \frac{\text{Degree Rank(1/4)}}{1.500} + \frac{\text{Additional Indicator}}{3.000} \times \frac{\text{Coefficient}}{0,088817} & = 399,67 \text{ TL} \\
 \text{B-} & \frac{\text{Severance Allowance Indicator}}{20} \times \frac{\text{Years of Service}}{25} \times \frac{\text{Coefficient}}{0,088817} & = 44,41 \text{ TL} \\
 \text{C-} & \frac{\text{Base Allowance Indicator}}{1000} \times \frac{\text{Base Allowance Coefficient}}{1,390277} & = 1.390,27 \text{ TL} \\
 \text{D-} & \frac{\text{Highest Civil Servant Indicator}}{1500} + \frac{\text{Highest Civil Servant Additional Indicator}}{8000} \times \frac{\text{Coefficient}}{0,088817} \times \frac{\text{Retirement Compensation Rate}}{85\%} & = 717,19 \text{ TL} \\
 \text{E-} & 75\% & \\
 & \text{Overall:} & 2.551,54 \text{ TL}
 \end{array}$$

$$\text{Pension} = \text{Overall} \times \text{Allowance Payment Rate} = 2.551,54 \times 75\% = 1.913,65 \text{ TL}$$

Starting date of the said allowances is 01.06.2016.



Allocation of the deceased ones' allowances to their widows and orphans:

	<b>Allowance Rate</b>	<b>Allowance Amount</b>
Widow Allowance	50%	956,83 TL
1. Orphan Allowance	25%	478,41 TL
2. Orphan Allowance	25%	478,41 TL

Lower limit allowances for widows and orphans in the examined period (TL):

<b>Period</b>	<b>For three or more person</b>	<b>For two person</b>	<b>For one person</b>
July-Dec2011	938,57	844,71	750,86
Jan-Jul 2012	1.002,27	902,04	801,82
Jul-Dec 2012	1.042,37	938,13	833,90
Jan-Jul 2013	1.075,10	967,59	860,08
Jul-Dec 2013	1.118,11	1.006,30	894,49
Jan -Dec 2014	1.261,12	1.135,01	1.008,90
Jan-Jul 2015	1.298,96	1.169,06	1.039,17
Jul-Dec 2015	1.455,52	1.309,97	1.164,42
Jan-Jul 2016	1.555,95	1.400,36	1.244,76

Funeral allowance:

- As result of occupational accident or occupational disease,
- While receiving victimhood and aging allowance being granted permanent invalidity income,
- While for himself is notified at least 360 days of victimhood, aging and death insurance premium,
- From deceased insured one is respectively given to spouse if not children if not parents if not to brothers or sisters as claimants.

Funeral allowance is designated by Institutional Executive Body and paid over a tariff approved by the Minister.

Amount of funeral benefit paid in the period in question (for the insured under 4/a, 4/b and the ones who become insurant in accordance with the Act No. 5510 for the first time):

<b>Years</b>	<b>Funeral Allowance Amount (TL)</b>
2011	328,00 TL
2012	363,00 TL
2013	386,00 TL
2014	415,00 TL
2015	449,00 TL
2016	489,00 TL
2011	328,00 TL
2012	363,00 TL
2013	386,00 TL

Death benefit;

Death benefit is granted to the survivors determined by the Act No. 5434 in the case of death of the insurant who were among the public servants under the coverage of 4/c before the effective date of the Act No. 5510 and who had been receiving old-age, common invalidity or service-disability pensions.

One monthly out of the amount of the pension received by the insurant under 4/c defines the amount of death benefit. This amount is paid as being not less than twice the salary of the highest rank public servant.

Amounts\* of death benefits in the period in question (for the insured persons under 4/c in accordance with Act No. 5510):

<b>Period</b>	<b>Funeral Allowance</b>
July-Dec 2011	1.224,74
Jan-Jul 2012	1.307,87
July-Dec 2012	1.360,19
Jan-Jul 2013	1.402,90
July-Dec 2013	1.459,03
Jan-Dec 2014	1.462,96
Jan-Jul 2015	1.506,85
July-Dec 2015	1.578,60
Jan-Jul 2016	1.687,52

Lump sum payment due to death:

If a survivors' pension could not be granted to the beneficiaries in the case of death of the insured who was employed on the basis of a service contract (4/a) and self-employed (4/b) and the insured who became a public servant (4/c) for the first time according to this Law,

taking into consideration the date of death, payment is made as a lump sum to the beneficiaries by updating the premiums notified in their name for the insured under 4/a and 4/c and the premiums of old-age, invalidity and survivors paid by the insurant under 4/b.

-The amount of premiums notified in their name for the insured under 4/a and 4/c, the amount of invalidity, old-age and survivors premiums (20%) paid in each year by the insurant under 4/b,

-The amount found by updating with each year's coefficient for the years between the effective date of this Law and the date the written claim for the payment of lump-sum is made and by way of calculating in accordance with the provisions of the relevant laws of which certain provisions repealed by this Law, in the case of the service days, which constitute the basis for the lump-sum payment, are prior to the effective date of this Law,

-The amount updated by the actual coefficient of each year for the years from the year of the premium to the date of death in terms of periods post the effective date of this Law, is paid in lump-sum.

It is given in the form of collective payment.

Marriage benefit;

The amount of monthly payments for two years (excluding the additional allowance) is paid in advance to the insurant's daughter who is married while receiving survivor's pension or income and whose pension or income discontinue as a result of such marriage on demand. In the case of gaining eligibility again within two years following the discontinuation of the pension of the right holder who received marriage benefit, no pension or income is granted until the end of the said two years, the persons in this situation are deemed to be under the coverage of the universal health insurance.

No raise applies to the pension shares of other survivors until the end of the period of two years for which marriage benefit is paid.

However for claimants subject to the Law no 5434 twelve month sum of their widow and orphan benefits (excluding post, high jurisdiction, representation and duty pays) are granted as marriage benefits.

### **Article 63**

Conditions to benefit from the rights provided by survivors' benefit;

Conditions concerning the insurant:

According to the Act No. 5510, one of the conditions to be entitled to survivor's pension is the death of the insurant after the effective date of the Law and the other is the completion of certain number of paid premium days as of the date of death. The required procedure for survivors insurance applies to the right holders of the insurant who dies or for whom the declaration of absence is ruled by court.

Another condition to be entitled to survivor's pension is either the entitlement to invalidity or old-age pension of the insurant before his/her death or the fulfilment of the condition of certain number of paid premium days.

Accordingly, survivor's pension is granted to the survivors of the deceased insurant upon the survivor's written claim in the cases below:

While a minimum of 1800 days of invalidity, old - age and survivors premiums are notified or, excluding any kind of debt periods, there is an insurance status of minimum 5 years and a total of 900 days of invalidity, old-age and survivors premiums are notified for the insurance holders who were employed on the basis of a service contract (4/a),

While the individual was receiving invalidity, service-disability or old-age pension or had the right to receive invalidity, service-disability or old-age pension due to accident due to reasons laid down in this Law, but the necessary formalities had not yet been completed

While the invalidity, service-disability or old-age pensions discontinued due to the fact that the individual had started to work under insurance.

However, in order to grant the beneficiaries of the insured person working under self-employed paragraph (4/b) a survivor's pension it is obligatory that the entire premium or any kind of debts related with the premiums, including the premiums of the universal health insurance should have been fully paid.

The conditions for granting widow and orphan pension in accordance with the provisions of the Act No. 5434 to the survivors of public servants (4/c) worked in public administrations:

- A widow or orphan pension is granted to the widowed spouse, children, father or mother in the event of the death of a public servant who had minimum 10 years of service in general,
- Only disabled or deprived spouse and children are granted with a widow or orphan pension in the case of the death of a public servant who had minimum 5 years of service.
- The widow and the orphans are granted with a widow and orphan pension if the death of a public servant results from an injury related with his/her duty or occupational disease regardless of his or her year of service.

Conditions concerning the survivors:

Granting pension to the spouse left widowed due to the death of the insurant depends on whether the spouse is in a marital relation with the deceased insurant in accordance with the Turkish Civil Code. Being married by way of imam (religious) marriage or cohabitation does not provide eligibility.

Spouse;

Granting pension to the spouse left widowed due to the death of the insurant depends on whether the spouse is in a marital relation with the deceased insurant in accordance with the Turkish Civil Code. Being married by way of imam (religious) marriage or cohabitation does not provide eligibility.

Spouse's employment situation under the Act No. 5510 or the legislation of another country or receiving wage or income from them do not prevent granting pension.

Boys;

In order to grant survivor's pension to boys, the fulfilment of the condition of not working under the Act of 5510 or the legislation of another country or not receiving income or wage because of their own insurance is obligatory as well as the conditions of not to have attained the age of 18 if not studying, 20 if studying in high school and 25 if studying at higher education.

Daughters;

In order to grant pension to daughters of the deceased insurant, the fulfilment of the condition of not working under the Act of 5510 or the legislation of another country or not receiving income or wage because of their own insurance is obligatory as well as the conditions of not being married at whatever age they are, if already married later-divorced or left widowed.

Disabled children;

The survivors pension is granted to boys and daughters on condition that they are not working under the Act of 5510 or the legislation of another country or not receiving income or wage because of their own insurance as well as on condition that their loss of incapacity to work is found at the rate of minimum 60% as a result of the decision of the Institution's Health Committee.

The conditions for granting widow and orphan pension in accordance with the provisions of the Act No. 5434 to the survivors of public servants who were under the coverage of 4/c of the Act 5510 (worked in public administrations):

A widow or orphan pension is granted to the widowed spouse, children, father or mother in the event of the death of a public servant who had minimum 10 years of service in general,

Only disabled or deprived spouse and children are granted with a widow or orphan pension in the case of the death of a public servant who had minimum 5 years of service. The widow and the orphans are granted with a widow and orphan pension if the death of a public servant results from an injury related with his/her duty or occupational disease regardless of length of service.

In order to grant pension to the survivors of the insurant who had become insured under the Act 5510 for the first time, it is required that minimum 1800 days of invalidity, old-age and survivors' insurance premiums should have been notified. It is also ruled that the provisions of the Act No 5510 on granting survivor's pension are applicable to the right holders who cannot be granted to pension because the insurant dies while they were subject to the provisions of the Act No. 5434.

## **Article 64**

Survivor's pension continues to be paid until the death of the right holder provided that other conditions to continue. It is terminated at the beginning of the payment period following the date of death of the right holder.

The pensions granted to the right holders discontinue at the beginning of the period following the date the conditions for being a right holder disappear.

The cases in which the pensions granted to the right holders discontinue other than the death of the right holder and the cases in which they are to be deemed eligible again are explained below. Those cases are valid for the right holders who are granted pension as a result of the death of the insurant post the effective date of the Act No. 5510. The provisions of the repealed laws apply to the right holders whose insurant died prior to the effective date of the Law.

Pensions of widowed spouses:

Pensions of the widowed spouses:

The granted survivor's pension discontinues following the date of marriage when the widowed spouse of the insurant marries.

In case of termination of the marriage that causes the discontinuation of the pension as a result of divorce or death, the discontinued pension shall be granted again upon the spouse's request. Of the two pensions, the one which would be preferred by the widowed spouse shall be granted in the case of the widowed spouse is entitled to survivor's pension from his/her second spouse due to the death of his/her later-married spouse.

Besides, when the spouse is found to have been actually living together with the divorced spouse even though they are divorced, the pension shall discontinue and the amounts paid in their names are charged back in accordance with Article 96 of the Law.

Pensions of sons;

The pensions granted to sons shall discontinue in the cases below as from the beginning of the payment period following the date;

- They start to work under the Act No. 5510 or under the legislation of another country,
- They start to receive income or wages due to their insurance,
- They attain the age of 18, 20 if they study in high school, 25 if they study at higher education.

If studying in high school and studying at higher education is completed before the ages of 20 and 25 respectively, the pension discontinues without waiting for the attainment to the ages above.

Pensions of daughters;

The pensions granted to daughters shall discontinue in the cases below as from the beginning of the payment period following the date;

- They start to work under the Act No. 5510 or under the legislation of another country,
- They start to receive income or wages due to their insurance,
- They are married.

Pensions of disabled children;

The pensions granted to disabled children shall discontinue in the cases below as from the beginning of the payment period following the date;

- They start to work under the Act No. 5510 or under the legislation of another country,
- They start to receive income or wages due to their insurance;

-Of the medical certificate taken as the basis for their new invalidity condition that the capacity to work is found not to be lost at the rate of minimum 60% as a result of control examination executed in accordance with Article 94 of the Act No. 5510 and by the decision of the Institution's Health Committee.

Pensions of mother and father;

The pensions granted to mother and father shall discontinue in the cases below as from the beginning of the payment period following the date;

-That no remaining share is found other than the shares of spouse and children (excluding mother and father over 65),

-That the revenue they obtain from any earnings and incomes is found to be more than the gross amount of minimum wage;

-That they are granted to income or pension other than the incomes and pensions to which they are entitled from their other children.

Pensions granted to widowed spouse, children, mother and father due to death of public servants subject to the Act No. 5434 discontinue in the cases below;

When the widowed spouse marries,

When the daughter marries or starts to work under 4/c of the Act No. 5510 (in public administrations),

When the deprivation of mother and father disappears,

When the sons attain the age of 18, 20 if they study in high school, 25 if they study at higher education.

In the event of disappearance of those cases above, the pensions shall be granted again. Moreover, the said pensions are granted again to sons whose pensions have discontinued due to attainment to certain ages mentioned above in the cases that they are disabled and deprived to the extent that they are unable to earn by way of working.

The discontinuation of the pensions granted to widowed spouse, children, mother and father as a result of the death of public servants subject to the Act No. 5510 is as explained above.

## **PART XI**

### **Periodical Payments**

#### **Article 65**

Detailed information on the calculation of periodical payments is given under the relevant articles of the accepted parts of the Code.

**PART XII**  
**Common Provisions**  
**Article 70**

**Finance:**

According to the Act No. 5510, for short and long term insurance branches and universal health insurance, the Institution is obliged to collect, and the concerned parties are obliged to pay social insurance premiums in order to cover any costs foreseen in this Law and to meet the administrative expenses. The universal health insurance premiums collected by the Institution shall be transferred directly to the universal health insurance department of the Institution budget, following their collection.

Insurance payments mentioned in the Law are financed by means of the premiums collected from employees and employers.

In addition to that, the state contributes to the Institution at the rate of one fourth of the premiums of invalidity, old-age and survivors' insurances charged by the Institution monthly. Premium rates to be charged according to this Law are regulated under Article 81, with the title "Premium rates and contribution of State", of the Law.

**Accordingly;**

The rate of invalidity, old-age and survivors' insurance premiums is 20% of the earnings subject to the premium of the insurance holder. 9% of this is the insurance holder's share, 11% is the employer's share.

The universal health insurance contribution is 12.5% of the daily earning taken as basic to premium which is calculated pursuant to this Law for those who are subject to short and long term insurance branches. 5% of this contribution is the share of the worker and 7.5% is of the employer. The universal health insurance contribution of the persons who are solely subject to universal health insurance is 12% of the daily earning taken as basic to premium.

The State makes contribution to the Institution at the rate of  $\frac{1}{4}$  of the invalidity, old-age and survivors' insurances as well as universal health insurance contribution which the Institution collects by month. The amount which will be calculated as State subsidy is paid to the Institution by the Treasury within 15 days following the date required.

The contribution rates in terms of the insured working on service contract under subparagraph (4/a) according to the new regulation are below:

<b>Insurance Branches</b>	<b>Worker share (%)</b>	<b>Employer share (%)</b>	<b>Total</b>
Contribution for short-term insurance branches	-	2	2
Contribution for long-term insurance branches	9	11	20
Contribution for universal health insurance	5	7,5	12,5
Unemployment insurance contribution	1	2	3
<b>Total</b>	<b>15</b>	<b>22,5</b>	<b>37,5</b>



Pursuant to this Law, contribution is taken over the rates for the insurance branches as well as the universal health insurance above which will be determined over the total daily earning taken as basic to premium.

However, disability, old-age and survivor's insurances contribution rates at the rate of 20% which will be applied to the (4/a) insured working on service contract in the work where active service period raise is applied specified in the Law, are calculated as below:

- 1 point in the work which 60 active service days shall be added,
- 1.5 points in the work which 90 active service days shall be added,
- 3 points in the work which 180 active service days shall be added.

The entire sum of the contribution belonging to the difference between the rates calculated as described herein above and the rate of 20% is paid by the employer.

Private sector employers employing the insured working on service contract (4/a), the amount corresponding to the five percentage points of the employer contribution of invalidity, old-age and survivors' insurances is covered by the Treasury.

The contribution rates taken per self-employed insured under item (4/b) are below:

<b>Insurance Branches</b>	<b>Contribution rates taken from the insured %</b>
Contribution for short-term insurance branches	2
Contribution for long-term insurance branches	20
Contribution for universal health insurance	12,5
<b>Total</b>	<b>34,5</b>

Since 01.01.2009, contribution is realized by the Institution providing that the contributions paid by the self-employed insured (4/b) shall remain between the lower and upper limits of the daily earning taken as basic to premium, whereas in the absence of declaration it is realized over the lower limit of the monthly earning taken as basic to premium.

The amendments concerning the rates of contribution taken for the insured working as public officials/civil servants (4/c) for the first time pursuant to the Law No. 5510 were regulated again with this Article.

The contribution rate of invalidity, old-age and survivors' insurances for the insured working as public officials (4/c) for the first time pursuant to the Law No. 5510 is 20% of the earning taken as basic to premium. 9% of this is the worker share and 11% is of the employer. In addition to the existing contributions of the insured covered as public officials (4/c) for the first time again pursuant to this Law, universal health insurance contribution is taken at the rate of 12.5%. 5% of this contribution is the worker share and 7.5% is of the employer.

The contribution rates paid for the insured public officials for the first time pursuant to the Law No. 5510 are below:

<b>Insurance Branches</b>	<b>Worker share (%)</b>	<b>Employer share (%)</b>	<b>Total</b>
Contribution for long-term insurance branches	9	11	20
Contribution for universal health insurance	5	7,5	12,5
<b>Total</b>	<b>14</b>	<b>18,5</b>	<b>32,5</b>

In terms of the insured within the scope of civil servant (4/c) for the first time pursuant to the Law No. 5510, invalidity, old-age and survivors' insurance and universal health insurance contribution is taken over the rates above and the total earning taken as basic to premium which shall be determined according to this Law.

However, disability, old-age and survivor's pensions contribution rates at the rate of 20% which will be applied to the (4/c) insured working as public officials where active service period raise is applied specified in the Law, are calculated as below:

- 3.33 points in the work which 60 active service days shall be added,
- 5 points in the work which 90 active service days shall be added,
- 10 points in the work which 180 active service days shall be added.

The entire sum of the contribution belonging to the difference between the rates calculated as described herein above and the rate of 20% is paid by the employer.

By virtue of Law No. 5510, as a substitute for work incapacity pensions which are (to be) paid to the insured as civil servant (4/c) and for survivor's pensions which are to be paid to their beneficiaries, an additional institution contribution at the rate of 20% of the state contribution fund to social security institutions is allocated for the insured afore-described to the public administrative budgets. The entire sum of the allocated additional institution contributions becomes payable in monthly equal instalments within six months as of the beginning of the month following the date of entry after the approval of institution budgets by the competent authorities. The additional institution contributions of the administrations under the general budget are deducted from the fund in the budget of the Ministry of Finance.

## **Article 71**

### **• Legal Ground**

Social Security Institution, established with the Law No. 5502, is the relevant organization of the Ministry of Labour and Social Security having public entity and is autonomous administratively and financially and subject to the special legal provisions in the absence of provisions in this Law to implement the provisions of this Law and the provisions of other Laws assigning duty and giving authorization to the Institution.

The Social Security Institution is subject to the audit of the Court of Accounts.

The main objective of the Institution is to conduct an effective, equitable, easily accessible, actuarially and financially sustainable social security system based on the principles of social insurance at contemporary standards.

- **Administrative Structure**

Administrative bodies of the Social Security Institution comprises of the General Assembly, the Board of Directors and the Presidency.

General Assembly comprises of the following under the chairmanship of the Minister of Labour and Social Security or an official assigned by him:

a) A representative from the Presidency of Court of Accounts, Ministry of National Defence, Ministry of Internal Affairs, Ministry of Finance, Ministry of Health, Ministry of Family and Social Policies, Ministry of Science, Industry and Technology, Ministry of Customs and Trade, Ministry of Development, Undersecretariat of Treasury, Directorate-General of Turkish Employment Agency, the Presidency for Turks Abroad and Related Communities and among from academicians assigned by the Council of Higher Education,

b) Two academicians who shall be determined by the Minister in the field of Labour Law and/or Social Security Law,

c) Head, Director-generals, Head of Strategy Development, Heads of Guidance and Inspection and the Actuary and Fund Management,

ç) 9 representatives determined in proportion to the number of workers working in the workplaces affiliated to the member employer's unions by the first three employer's union confederations having maximum members,

d) 9 representatives determined in proportion to the number of members by the first three workers union confederations having maximum members,

e) 9 representatives determined in proportion to the number of members by the first three public employees unions confederations having maximum members,

f) 9 representatives determined in proportion to the number of members by the first three organizations having maximum members from the professional organizations with public institution status which the self-employed in agriculture are the members of, 9 representatives determined in proportion to the number of members by the first three organizations having maximum members from the professional organizations with public institution status which the self-employed other than agriculture are the members of,

g) 9 representatives determined in proportion to the number of members by the first three organizations having maximum members which those receiving salary or income from the Institution are the members of,

h) one representative who shall be assigned by the professional organizations with public institution status except those in sub-paragraphs (ç), (d), (e) and (f).

The Board of Directors is a decision making body that bears the highest decision, authorization and responsibility of the Institution. It comprises of 12 members including;

- a) Head,
- b) Two deputy heads appointed with the joint decree upon the proposal of the Head,
- c) A member appointed with the joint decree upon the proposal of the Minister of Labour and Social Security, representing the Ministry of Labour and Social Security,
- ç) A member appointed with the joint decree upon the proposal of the Minister of Finance, representing the Ministry of Finance,
- d) A member appointed with the joint decree upon the proposal of the Minister the Undersecretariat of Treasury is affiliated to, representing the Undersecretariat of Treasury,
- e) A member elected on behalf of employers,
- f) A member elected on behalf of employees,
- g) A member elected on behalf of public servants,
- h) A member elected on behalf of self-employed persons in agriculture,<sup>(1)</sup>
- i) A member elected on behalf of those receiving salary or income from the Institution,
- i) A member elected on behalf of self-employed except those in sub-paragraph (h).

The Presidency of Social Security Institution consists of central and provincial organizations. The President has the highest superiority in rank and is responsible to the Board of Directors for the Institution's actions as well as activities and performances of his subordinate officials.

**Organizational structure:**

The Presidency of Social Security Institution consists of central and provincial organizations.

**Central organization:**

The central organization consists of main service, advisory and auxiliary service units.

**Main service units:**

There are four General Directorates: General Directorate of Pension Services, General Directorate of Social Insurances, General Directorate of Universal Health Insurance and General Directorate of Service Provision as well as Board of Guidance and Inspection and Department of Actuaries and Fund Management.

It is so envisaged by the Act that each General Directorate is allowed to establish up to eleven departments by the decision of the Board of Directors.

43 departments were established pursuant to the decisions of the Board of Directors under Directorate-General which are as follows:

- 10 departments within the General Directorate of Pension Services,
- 11 departments within the General Directorate of Social Insurances,
- 11 departments within the General Directorate of Universal Health Insurance,
- 11 departments within the General Directorate of Service Provision.

**Advisory units**

Advisory units of the Presidency consist of the Presidency of Strategy Development, the Department of Legal Consultancy and the Consultancy of Media and Public Relations. 6 departments were founded by the decision of the Board of Directors envisaged by the Act within the Presidency of Strategy Development.

**Support service units:**

Support service units of the Institution consist of the Department of Human Resources, the Department of Support Services, the Department of Construction and Real Estate and Presidency of Training, Research and Development.

Thereby, there are 54 departments in the central organization of the Institution (including the departments affiliated to the Presidency of Strategy Development, support service units and the Department of Actuaries and Fund Management).

**Provincial organization:**

The provincial organization of the Institution consists of the Social Security Provincial Directorates in each of the 81 provinces and the Social Security Centres that will be founded as their local branches.

Adequate number of Social Security Centres may be founded or closed either in the provinces or townships according to the population, number of the insured and people covered by the universal health insurance, the number of workplaces, the intensity of procedural activities and the other criteria to be determined.

Accordingly, the number of units in provincial organization is below:

- 81 Provincial Directorates of Social Security
- 409 Social Security Centres
- 35 Health and Social Security Centres and
- 82 Financial Services Social Security Centres

526 Social Security Centres became operational.

**As regards the main problems concerning financing and sustainable management of health care system (Articles 70, 71):**

Prior to the reform, there were significant differences between different health insurance practices of different public insurance institutions which the working population are subject to by working types (The persons on service contract-workers were subject to Social Insurance Institution, self-employed-craftsmen and the others were subject to Bağ-Kur, public servants-civil servants were subject to Turkish Pension Fund) in terms of method of providing contribution, opportunities provided and access to service providers, contributions realized according to income, accepted expense amount and financial protection. With the Social Security Reform, Social Security Institution (SSI) was established with the Social Security Institution Act No. 5502 in 2006 to ensure the unity of norms and standards in the applications of social security institutions. Thus, Social Insurance Institution, Bağ-Kur and Turkish Pension Fund were brought together under the same roof.

With the Social Security and Universal Health Insurance Act No. 5510 which came into force on 1 October 2008, Universal Health Insurance system was initiated. Thus, differences of implementing rules in the access to health care services among social security

organizations were removed. Challenges were faced during the studies in singularizing different warranty packages and reimbursement conditions and also during the adaptation process of the staff to the new arrangements and practices of a new institution.

With including the civil servants in the universal health insurance system on 15.01.2010 and the poor whose health care expenses are covered by the State whom were granted green card to enjoy the said right since their income is below the average on 01.01.2012, almost the whole population were provided with health care service. With the raise in the population covered, lack of personnel caused challenges in analysing the receipts sent to the Institution. Due to the lack of personnel analysing the receipts which are sent to the Institution by health organizations concerning health care services at the end of this process the practice of lump sum price was initiated as regards financing of health care services.

The scope of health care services was broadened with the adoption of Universal Health Insurance and access to health care services was facilitated. This has also increased the abuses in health care expenses. Therefore, multifaceted studies were conducted to fight the said abuses.

The practice of positive list was initiated as of 01.10.2014 in medical equipment. Challenges were faced during the adaptation of positive list of medical equipment rules by health care service providers and medical equipment providers.

The organizational structure of the Ministry of Health and the amendments in its Laws had an impact on the practices of the Institution. For instance, it was only dealt with the Ministry of Labour before; however the establishment of Public Hospitals Institution of Turkey and Turkish Medicines and Medical Devices Agency has made the communication obligatory with different stakeholders.