

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Turkey. Your candidate is hired via Globalization Partners' Turkey PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

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Our comprehensive solution and Global PEO service enable customers to run payroll in Turkey while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Turkey.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and

painlessly.

At two to three hours from most European destinations, Turkey acts as a bridge between Asia and the EU. The government offers many tax and non-tax incentives to foreign investors including free land, energy and R&D support, flexible exchange rate policies, VAT relief and unrestricted market entry.

When negotiating terms of an employment contract and offer letter with an employee in Turkey, it may be useful to keep the following standard benefits in Turkey in mind:

Basic Facts About Hiring in Turkey

The process for obtaining work permits and visas for foreign workers requires coordination between the employer, Ministry of Labor and the foreign worker's embassy and can take up to three months to work through. Professional services like architecture and engineering are more carefully regulated in Turkey and the approval process can take up to a year.

Employment in Turkey is governed primarily by Turkish Labor Law No. 4857. This set of laws covers all aspects of employment including employment contracts, working hours, paid time off, military service and termination. Negotiating Collective Bargaining Agreements and working with Trade Unions is a matter of course in Turkey and prospective employers should factor this into the hiring timeline.

Turkey Holidays

Turkey mandates 8 paid holidays:

- New Year's Day
- National Sovereignty and Children's Day
- Labor Day and Solidarity Day
- Commemoration of Ataturk, Youth and Sports Day
- Ramadan (Religious Holiday for 3.5 days)
- Victory Day

- Sacrifice Feast (Religious Holiday for 4.5 days)
- Republic Day

Bonus in Turkey

Bonuses are not compulsory in Turkey, but some companies give quarterly, bi-annual and/or annual bonuses.

Turkey Working Hours

Work hours cannot exceed 45 per week and should be equally divided between the number of days worked. There is no ‘standard’ work week in Turkey.

If working hours exceed 45 in a week, employees are entitled to overtime pay. This includes increasing the employee’s regular hourly rate by 50%. In lieu of payment, employees may be granted 1.5 hours of ‘free time’ for every overtime hour worked. Overtime rates may be increased on the basis of a collective bargaining agreement or employment contract. The total number of overtime hours may not exceed 270 hours per year.

Vacation in Turkey

Employees are entitled to paid annual leave, provided that they have worked for at least one year, including the probationary period. Paid time off is dependent on the number of years of service:

- Years 1-5: 14 working days
- More than 5 years but less than 15: 20 working days
- 15 years or longer: 26 working days

Sick Leave in Turkey

Employers are not obligated to provide sick pay to employees, but employees are entitled to sick pay through government disability programs. In practice, most employers continue to pay employees their full salary while they are sick and deduct the amount paid by the Social

Security Institution from the employee's salary.

Maternity/Paternity Leave in Turkey

Pregnant women are eligible to receive 8 weeks of maternity leave preceding and following childbirth. In addition, they are eligible for lump-sum pregnancy, childbirth, and nursing benefits.

Although the Turkish Labor Law doesn't make specific provisions for paternity leave, in practice, most employers provide paternity leave of up to three days following the delivery of the child.

Termination in Turkey

The Turkish Labor Law gives an employer a maximum two-month probation period during which employment may be terminated without penalty. An employer is required to present an employee with an employment contract prior to the end of the two-month probationary period. The probationary period may be extended to 4 months if both employee and employer agree.

Consider termination when making an offer to an employee. Termination severance payments can be steep, particularly if they haven't been factored into the overall budget.

Written advance notice of termination is required to terminate an employment contract. However, there are certain cases where employers are entitled to terminate employment for cause. In the event there is no cause justification, employers are obliged to comply with mandatory termination notice periods which vary depending on the length of the employment. The minimum legal periods are as follows:

- Less than six months of employment: two weeks' notice
- Between six months and 18 months of employment: four weeks' notice
- Between 18 months and three years of employment: six weeks' notice
- More than three years of employment: eight weeks' notice

Employers have the right to make a severance payment in lieu of notice.

Severance payments are required for termination of an employment contract whether or not there is a cause justification. The employee must have been employed for more than one year in order to receive severance.

The severance payment is calculated by multiplying the employee's last 30 days' gross wage by the number of years employed. The total severance cannot exceed the limit mandated by local employment authorities. Employers are also obligated to pay the equivalent amount of the employee's unused annual leave, any unpaid overtime and any other bonuses.

Health Insurance in Turkey

The healthcare system in Turkey comprises a combination of compulsory health insurance and private medical insurance. The Ministry of Health is responsible for coordinating all health and social welfare activities, and according to the Turkish Constitution, all individuals are entitled to social security. The public healthcare system is paid for through public health insurance which is automatically deducted from employees' salaries.

Additional Benefits in Turkey

Some employers provide meal vouchers or cash allowances, company cars, and/or private healthcare.

Turkey Tax

Employers and employees are required to contribute social security premiums. Employers must pay for both their portion of the contribution as well as that of the employee's, which is typically deducted from the employee's salary.

- Short-term insurance contributions range between 1% and 6.5%
- Long-term insurance contributions rates are 9% paid by the employee, 11% paid by the

employer

- Unemployment insurance contribution rates are 1% paid by the employee, 2% paid by the employer, and 1% paid by the state
- Pregnant women are eligible to receive 2/3 of their average daily earnings during maternity leave

Employment Contracts in Turkey

For indefinite period contracts, it is legally required to have a written employment contract in place in the local language. The contract should state the terms of the employee's compensation, all benefits, and termination requirements. The contract should show the employee's salary in Turkish Lira.

This information is provided as generally accepted information and is not intended as advisory services.

Why Globalization Partners

Establishing a branch office or subsidiary in Turkey to engage a small team is time-consuming, expensive and complex. Turkish labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Turkey. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Turkey PEO and [Global Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Turkey, please [contact us](#).