

Turkish Social Security System

The social security system in Turkey went through a major transformation in 2007, resulting in a more efficient and fast functioning system, based on centralizing the control of different social security funds in a single institution.

Within the scope of the program:

The three insurance funds, namely SSK, Emekli Sandigi and Bag-Kur, were merged under a sole body called the Social Security Institution (SSI) in 2007. The three insurance funds together cover around 81% of the population as of 2008. The system started to be fully operational at the beginning of 2008.

Social Security Premium Payments

Social security premiums (as a percentage of employee's gross earnings) are payable by both employers and employees. The below table shows the rates that apply in the case of office employees in the private sector. Rates for employees working in specific sectors (such as mining, oil/gas exploration) may vary depending on the risk category of the work performed.

Social Security Premiums (office employees)			
Type of risk	Employer's share (%)	Employee's share (%)	Total (%)
Short - term risks	1-6.5*	-	1-6.5*
Long - term risks	11	9	20
General health insurance	7.5	5	12.5
Contribution to unemployment insurance	2	1	3
Total	21.5*	15	36.5*

*The rates change according to the risk categories of jobs. Depending on the risk category, the employer's share varies between 1% and 6.5%.

Foreigners making social security contributions in their home countries do not have to pay the Turkish social security premiums if there is a reciprocal agreement between the home country and Turkey.

Unemployment Insurance Premium Payments

Employees, employers and the state are required to make a compulsory contribution to the Unemployment Insurance Plan at the rates of 1%, 2% and 1%, respectively, of the gross salary of the employee. Like the social security premium payments, unemployment insurance premiums are also to be paid on a monthly basis. Employers are able to deduct such contributions from their taxable income. On the other hand, an employee's contributions are deductible from the income tax base of the employee.

A foreign individual who remains covered under the compulsory social security system of his/her home country that has a social security agreement in effect with Turkey is not liable for insurance payments to the Turkish social security. The proof of foreign coverage is to be filed with the local social security office. If the employee is not subject to a foreign social security, full contributions will generally be imposed. Unemployment insurance premiums are declared and paid to the Social Security Institution together with social security premium contributions.