Turkey

Payroll & Employment Law Guide

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Labor Law No. 4857, Social Security Law No. 5510, and 2026 tax and contribution parameters

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Overview

A reference for employing in Turkey

The legal basis for employment in Turkey begins with the company structure. Company type, trade registry registration, tax registration, and the Social Security Institution workplace registration are linked steps, but each creates separate responsibilities.

45h	TRY 33,030	23.75%	40%
MAXIMUM WEEKLY WORKING TIME	2026 MONTHLY GROSS MINIMUM WAGE	STANDARD EMPLOYER SSI RATE BEFORE INCENTIVES	TOP EMPLOYMENT INCOME TAX RATE

WHAT THIS GUIDE COVERS

I

Setting Up and Doing Business

The legal basis for employment in Turkey begins with the company structure. Company type, trade registry registration, tax registration, and the Social Security Institution workplace registration are linked steps, but each creates separate responsibilities.

COMMON COMPANY TYPES

Under Turkish Commercial Code No. 6102 of 2011, the joint stock company and limited company are the corporate forms most often used by domestic and foreign investors. Either may be established by a single shareholder. Foreign companies may also open a branch in Turkey, depending on their operating model.

STRUCTURE	MAIN FEATURE	2026 CAPITAL THRESHOLD
Joint stock company	Share capital structure with shareholder liability limited to committed capital	At least TRY 250,000
Non-public joint stock company using the registered capital system	Registered capital model based on initial capital	At least TRY 500,000
Limited company	Between 1 and 50 shareholders, not open to the public	At least TRY 50,000
Branch	Turkish extension of a foreign parent company	Does not create a separate legal entity

For a joint stock company, one-quarter of the capital is paid before registration and the balance within 24 months after registration. A limited company may pay the full capital within 24 months after registration. Existing joint stock and limited companies below the new minimum capital levels must comply by December 31, 2026.

INCORPORATION AND EMPLOYER REGISTRATION

Incorporation documents are prepared through the Central Registry Record System, MERSIS, and the process is completed through trade registry registration. Tax registration forms part of the incorporation process. The employer must separately complete the Social Security Institution workplace declaration and employer access arrangements before employing staff.

I

Setting Up and Doing Business

STEP	ACTION	MAIN SYSTEM OR AUTHORITY
1	Articles and incorporation application	MERSIS and trade registry
2	Tax registration and electronic filing authority	Revenue Administration
3	Workplace registration and employer users	Social Security Institution online employer system or e-Sigorta
4	New-hire registration and monthly reporting	Social Security Institution and Withholding and Premium Service Return

The general corporate income tax rate is 25% for the 2025 and 2026 accounting periods. Banks, financial institutions, and certain specialized activities are subject to different rates, so this figure should not be treated as the complete cost of an employer structure.

EOR AND TEMPORARY EMPLOYMENT

Turkey does not have an unrestricted, standalone Employer of Record, or EOR, category. A temporary employment relationship through a licensed private employment agency may be established only in the situations and for the periods specified under Labor Law No. 4857 of 2003 and the Regulation on Private Employment Agencies.

> **Verify before payroll**
> Regulatory note: Where an overseas company plans to employ someone in Turkey, the structure should not be selected solely by its commercial label. Employer status, direction and control, temporary employment conditions, permanent establishment risk, and work permit obligations should be assessed together.

II · WORKING CONDITIONS AND LEAVE

Working time, overtime, and leave provide the time data for payroll. Records for missing days, overtime, weekly rest, and paid leave should reconcile with the payslip.

WORKING TIME AND REST

Under Labor Law No. 4857 of 2003, normal weekly working time may not exceed 45 hours. Unless the parties agree otherwise, this time is distributed equally across the working days of the week. Even where an averaging arrangement applies, daily work generally may not exceed 11 hours.

II

Working Conditions and Leave

ITEM	GENERAL RULE
Weekly working time	Maximum 45 hours
Daily working time	Generally maximum 11 hours
Weekly rest	At least 24 uninterrupted hours within a seven-day period
Overtime	Work exceeding 45 hours in a week
Annual overtime limit	270 hours

Where the contractual weekly schedule is below 45 hours, work above the contractual schedule but up to 45 hours is classified as additional work rather than overtime. The distinction directly affects the premium rate.

TYPE OF WORK	PAY TREATMENT	TIME-OFF OPTION
Overtime above 45 weekly hours	50% premium over the normal hourly rate	1 hour 30 minutes for each hour
Additional work above the contractual schedule and up to 45 hours	25% premium over the normal hourly rate	1 hour 15 minutes for each hour
Work on a national or public holiday	One additional daily wage on top of normal pay	Holiday type and contract terms require separate review

Compensatory time is used at the employee's request and must be granted within six months. Overtime consent, working-time records, and the corresponding payroll payment should be consistent for the same period.

ANNUAL PAID LEAVE

The annual leave entitlement arises after at least one year of service, including the probation period. These are minimum periods. An employment contract or collective bargaining agreement may provide more generous rights.

II

Working Conditions and Leave

LENGTH OF SERVICE	MINIMUM ANNUAL LEAVE
From 1 year through 5 years, inclusive	14 days
More than 5 years and less than 15 years	20 days
15 years or more	26 days
Age 18 or below, or age 50 or above	At least 20 days

Annual leave cannot be converted into cash while employment continues. On termination, unused annual leave is paid based on the wage at the termination date.

MATERNITY, PATERNITY, AND OTHER LEAVE

LEAVE OR BENEFIT	DURATION AND PRINCIPAL RULE
Maternity leave	8 weeks before and 8 weeks after birth for a single pregnancy
Multiple pregnancy	2 additional weeks before birth
Unpaid leave after maternity leave	Up to 6 months on request
Nursing leave	A total of 1.5 hours per day until the child turns one
Paternity leave	5 paid days
Marriage or adoption	3 paid days
Death of a parent, spouse, sibling, or child	3 paid days
Treatment of a child with at least 70% disability or chronic illness	Up to 10 days per year for one employed parent

Under maternity insurance, the Social Security Institution may calculate temporary incapacity benefit for 112 days for a single pregnancy and 126 days for a multiple pregnancy. Entitlement depends on the employee's contribution record and medical certification.

Temporary incapacity benefit for sickness generally begins on the third day. The employee generally needs at least 90 days of short-term contributions in the preceding year. The benefit is calculated at half of daily earnings for inpatient treatment and two-thirds for outpatient treatment.

II

Working Conditions and Leave

> **Verify before payroll**
> Worked example: If an employee whose contractual schedule is 40 hours works 47 hours in one week, the first 5 hours are paid at the 25% premium and the final 2 hours at the 50% premium. Applying one rate to all 7 hours would be incorrect.

III · TAX AND SOCIAL SECURITY

Income tax on Turkey payroll is calculated on a cumulative tax base. Social security contributions are calculated within the minimum and maximum contribution base. The two bases may begin with the same pay components, but they are not governed by identical rules.

2026 MINIMUM WAGE AND CONTRIBUTION BASE

The monthly gross minimum wage set by the Minimum Wage Determination Commission is TRY 33,030 for 2026, with a net minimum wage of TRY 28,075.50. The amounts apply from January 1, 2026 through December 31, 2026.

PARAMETER	MONTHLY AMOUNT	PERIOD
Gross minimum wage	TRY 33,030.00	January 1, 2026 - December 31, 2026
Net minimum wage	TRY 28,075.50	January 1, 2026 - December 31, 2026
Minimum monthly contribution base	TRY 33,030.00	2026
Maximum monthly contribution base	TRY 297,270.00	2026

The 2026 monthly contribution ceiling is nine times the minimum wage. Even when gross pay exceeds the ceiling, social security contributions are calculated on no more than TRY 297,270. The same ceiling has a separate effect on the income tax base, so highly paid employees require an employee-specific net-pay model.

SOCIAL SECURITY CONTRIBUTION RATES

Turkey's social security authority is the Social Security Institution, SGK. The standard rates under Social Insurance and General Health Insurance Law No. 5510 of 2006 and Unemployment Insurance Law No. 4447 of 1999 are as follows.

III

Tax and Social Security

CONTRIBUTION	EMPLOYER	EMPLOYEE	TOTAL
Long-term insurance branches	12%	9%	21%
General health insurance	7.5%	5%	12.5%
Short-term insurance branches	2.25%	-	2.25%
Unemployment insurance	2%	1%	3%
▸ **Total**	23.75%	15%	38.75%

The standard employer total before incentives and discounts is 23.75%. An eligible non-manufacturing workplace may apply the two-point discount and reduce the rate to 21.75%. The five-point manufacturing discount remains in effect through December 31, 2026, producing an eligible rate of 18.75%.

> **Verify before payroll**
> Important: The general non-manufacturing discount was four points in 2025 and fell to two points in 2026. The change should not be described using an incorrect earlier base rate. The one-point increase in the employer share for long-term insurance also affects manufacturing workplaces.

2026 EMPLOYMENT INCOME TAX SCHEDULE

Employment income under Income Tax Law No. 193 of 1960 is taxed using the cumulative base. The 2026 employment income schedule is below.

CUMULATIVE EMPLOYMENT INCOME BASE	CALCULATION
Up to TRY 190,000	15%
TRY 28,500 for the first TRY 190,000 of TRY 400,000, excess	20%
TRY 70,500 for the first TRY 400,000 of TRY 1,500,000 for employment income, excess	27%
TRY 367,500 for the first TRY 1,500,000 of TRY 5,300,000, excess	35%
Above TRY 5,300,000, with TRY 1,697,500 on the first TRY 5,300,000, excess	40%

Income tax corresponding to the minimum-wage tax base is exempt. Wage payments are subject to stamp tax at 7.59 per thousand, equal to 0.759%. The portion corresponding to the gross minimum wage is also exempt from stamp tax.

III

Tax and Social Security

JANUARY 2026 GROSS-TO-NET EXAMPLE

The following illustration assumes monthly gross pay of TRY 100,000 in January, with no other deduction or additional payment.

ITEM	AMOUNT
Gross pay	TRY 100,000.00
Employee social security contribution, 14%	TRY 14,000.00
Employee unemployment contribution, 1%	TRY 1,000.00
Income tax base	TRY 85,000.00
Income tax before exemption	TRY 12,750.00
Minimum-wage income tax exemption	TRY 4,211.33
Income tax withheld	TRY 8,538.68
Stamp tax before exemption	TRY 759.00
Minimum-wage stamp tax exemption	TRY 250.70
▸ **Estimated net pay**	TRY 75,953.02

This is not a guaranteed net amount for the full year. As the cumulative base moves into higher tax bands, net pay on the same gross amount may change during the year.

IV · PAYROLL OPERATIONS

Payroll is more than a net-pay calculation. Time data, benefits, tax exemptions, social security reporting, tax filing, bank payment, and accounting entries should reconcile for the same period.

IV

Payroll Operations

MONTHLY PAYROLL CALENDAR

ACTION	GENERAL DEADLINE OR RULE
Pay frequency	At least monthly
Withholding and Premium Service Return	By 23:59 on the 26th of the following month
Social security contribution payment	Generally by the end of the following month
Payslip	Provided to the employee with every wage payment
Termination notification	Within 10 days after the termination date

An employment contract or collective bargaining agreement may shorten the wage payment period to as little as one week. The Withholding and Premium Service Return combines tax withholdings with contribution base and service information in one electronic filing.

CURRENCY, BANK PAYMENT, AND PAYSLIP

Wages are generally paid in Turkish lira. If pay is agreed in a foreign currency, the payment may be converted into Turkish lira at the exchange rate on the payment date.

An amendment dated June 4, 2025 reduced the mandatory bank-payment threshold from five employees to three. An employer subject to the Labor Law and employing at least three people across Turkey must make net wage and similar payments through a bank.

> Verify before payroll
> Source conflict note: An older Ministry FAQ may still display a five-employee threshold. The Ministry's 2025 bulletin describing the current amendment confirms the three-employee threshold. This guide uses the current rule.

For every payment, the employer must give the employee a payslip showing gross pay, additional payments, deductions, and net pay. A bank transfer receipt does not replace the payslip by itself.

MONTHLY CONTROL FLOW

— Close time, leave, medical report, and overtime inputs.

— Classify fixed pay, incentives, bonuses, and benefits in cash or in kind.

IV

Payroll Operations

- Calculate the social security and income tax bases under their separate rules.
- Apply the minimum-wage income and stamp tax exemptions.
- Verify incentive and contribution discount eligibility by workplace and employee.
- Reconcile the payslip, bank payment list, and accounting entry.
- Complete the Withholding and Premium Service Return and contribution payment on time.

RECORD MANAGEMENT

The employer maintains a personnel file for every employee. Contracts, identity and leave documents, time records, payslips, overtime consent, and termination records should be stored with appropriate access controls. Retention periods differ by document under employment, tax, social security, commercial, and data protection rules. A document-specific retention schedule should therefore be used rather than one general number of years.

> **Verify before payroll**
> Practical control: At payroll close, compare total gross pay, the social security base, the income tax base, bank net pay, and the payroll accounting balance as five separate totals. These totals need not be equal, but the reasons for each difference should be documented.

V · HIRING AND TERMINATION

Hiring and termination carry some of the most time-sensitive documentation risks in payroll. Contract type, social security reporting, the reason for termination, notice, and final payments should be supported in the same file.

CONTRACT AND PROBATION

An indefinite-term contract is the general rule. A fixed-term contract must be in writing and based on an objective condition, such as completion of a defined job or occurrence of a specified event. Without a material reason, successive fixed-term renewals may cause the contract to be treated as indefinite from the outset.

Probation may last up to two months. A collective bargaining agreement may extend it to four months. Either party may terminate without notice or compensation during probation, but pay and social security obligations for days worked continue.

V

Hiring and Termination

SOCIAL SECURITY NOTIFICATIONS

As a general rule, the new-hire notification is filed electronically at least one day before the employee starts work. Special timelines apply to construction, fishing, agriculture, and workplaces employing insured staff for the first time. The termination notification is filed within 10 days after employment ends.

NOTICE PERIODS

The minimum periods under Labor Law No. 4857 of 2003 apply to termination of an indefinite-term contract with notice.

EMPLOYEE SERVICE	MINIMUM NOTICE PERIOD
Less than 6 months	2 weeks
Between 6 months and 1.5 years	4 weeks
Between 1.5 and 3 years	6 weeks
More than 3 years	8 weeks

The parties may agree longer periods. Failure to observe the notice period may create liability for notice compensation. Immediate termination for just cause is not the same procedure as ordinary termination with notice.

SEVERANCE PAY

Under the continuing Article 14 of former Labor Law No. 1475 of 1971, severance entitlement requires at least one full year with the same employer and one of the statutory termination grounds. Not every resignation or employer-initiated termination automatically creates severance entitlement.

V

Hiring and Termination

SEVERANCE ITEM	RULE FOR THE SECOND HALF OF 2026
Basis	30 days of gross remuneration, including regular benefits, for each full year
Partial year	Calculated proportionately
Annual ceiling	TRY 73,729.87
Ceiling period	July 1, 2026 - December 31, 2026
Deduction within the statutory ceiling	Stamp tax only

Example: Assume an employee has severance-reference monthly gross remuneration of TRY 90,000 and five complete years of service. The ceiling for the second half of 2026 applies. Gross severance pay is TRY 73,729.87 x 5 = TRY 368,649.35. The example assumes statutory entitlement and shows the amount before stamp tax.

On termination, salary, unused annual leave, earned bonuses, and other contractual receivables should be calculated separately. The stated reason for termination should be consistent with the Social Security Institution termination code.

VI · COMPENSATION AND BENEFITS

Not every element in the compensation package receives the same payroll treatment. Cash payments, benefits in kind, expense reimbursements, bonuses, and private insurance require separate tax and social security review.

MINIMUM WAGE AND EMPLOYER COST

The 2026 gross minimum wage is TRY 33,030. Employer cost varies with eligibility for contribution discounts.

SCENARIO	EMPLOYER CONTRIBUTION RATE	MONTHLY EMPLOYER COST
No contribution discount	23.75%	TRY 40,874.63
Eligible non-manufacturing workplace, two-point discount	21.75%	TRY 40,214.03
Eligible manufacturing workplace, five-point discount	18.75%	TRY 39,223.13

VI

Compensation and Benefits

The table does not deduct the 2026 minimum-wage support. The announced support of up to TRY 1,270 per month is offset by contribution days when the conditions are met and should be presented separately from baseline employer cost.

PAY REVIEWS, BONUSES, AND 13TH SALARY

The private sector does not have one statutory annual pay increase rate applying to every employee. Pay may not fall below the minimum wage. An increase entitlement may arise from the employment contract, collective bargaining agreement, established workplace practice, or employer decision.

Turkey also has no general statutory 13th salary. Regular and repeated bonus payments may become an established workplace practice. Bonus plans should state the eligibility measures, payment date, and treatment on termination.

PAYROLL CLASSIFICATION OF BENEFITS

BENEFIT	PAYROLL APPROACH
Meal benefit	Exemption and base treatment differ for cash, meal card, or on-site meals
Transport benefit	Cash, public transport card, and employer shuttle are not treated identically
Private health insurance	Tax and social security exemption limits require separate review
Private pension	Auto-enrollment and employer-funded contributions are separate processes
Incentive and bonus	Effect on tax and contribution bases is reviewed when earned
Expense reimbursement	Should not be treated as non-wage without business purpose and documentation

Meal and transport exemption amounts can change each year, so this guide does not state fixed daily limits. The Revenue Administration and Social Security Institution amounts for the publication and payroll period should be checked.

HEALTH COVERAGE

General health insurance is part of the mandatory social security contribution. The employer share is 7.5% and the employee share is 5%. Supplementary or private health insurance is generally a benefit and requires payroll review based on the policy structure.

VI

Compensation and Benefits

> **Verify before payroll**
> Worked example: A meal benefit of the same value can produce different exemption results when paid in cash, provided through a meal card, or served at the workplace. The payroll code should not be selected solely because the payment is labeled "meal."

VII · VISAS AND WORK PERMITS

An employment contract does not by itself give a foreign employee the right to work. The permit process under International Workforce Law No. 6735 of 2016 creates separate information and documentation duties for the employer and the foreign national.

PERMIT TERM AND EXTENSION

APPLICATION	MAXIMUM PERMIT TERM
Initial temporary work permit	Up to 1 year with the same employer
First extension	Up to 2 years with the same employer
Later extensions	Up to 3 years for each extension with the same employer

An overseas application begins at the relevant Turkish diplomatic mission, and the employer completes the process through the e-İzin system. Some foreign nationals holding a valid residence permit may apply from within Turkey. A residence permit alone does not grant the right to work.

GENERAL ASSESSMENT CRITERIA

As a general rule, the workplace must employ at least five Turkish nationals for each foreign employee. Exceptions vary by sector, entity type, foreign-worker status, and application category.

VII

Visas and Work Permits

CRITERION	GENERAL 2026 THRESHOLD
Financial criterion for a new workplace	At least TRY 500,000 paid-in capital
Existing workplace	TRY 500,000 paid-in capital, TRY 8,000,000 net sales, or USD 150,000 exports
Senior executive and pilot salary	At least 5 times the gross minimum wage
Engineer and architect salary	At least 4 times the gross minimum wage
Other manager salary	At least 3 times the gross minimum wage
Role requiring expertise or advanced skill	At least 2 times the gross minimum wage
Domestic services and other roles	At least the gross minimum wage

A criterion effective August 3, 2026 applies to certain in-country applications. Employment and financial criteria may not apply to up to three foreign nationals who have legally stayed in Turkey for at least one year during the preceding three years. Application status and the remaining conditions must still be reviewed.

SOCIAL SECURITY AND NOTIFICATION

Foreign employees are generally insured under Law No. 5510 of 2006. Social security agreements to which Turkey is a party and properly documented temporary assignments may create exceptions. The foreign certificate and the assignment period should be held in the payroll file.

Starting work, ending employment, and changes requiring work permit cancellation are generally notified to the Ministry of Labor and Social Security within 15 days. Social Security Institution new-hire and termination notifications are made separately within their own deadlines.

> Verify before payroll
> Important: The work permit salary criterion is not a document checked only at application. Salary in payroll and the bank payment should remain consistent with the permit condition.

VIII · PRACTICAL NOTES AND KEY CONSIDERATIONS

Compliant payroll requires more than correct rates. Source data, the document chain, use of personal data, and consistency across periods are also part of the audit trail.

VIII

Practical Notes and Key Considerations

OPERATIONAL CHECKLIST

CHECK	WHY IT MATTERS
Are the employment contract and pay components documented	Aligns payroll codes with contractual rights
Are time, leave, and medical reports closed	Prevents missing-day and overtime errors
Were social security and tax bases checked separately	The same payment may have different treatment in each base
Were incentive conditions verified for the current month	Prior eligibility does not automatically guarantee the next month
Do bank net pay, payroll net pay, and accounting entries reconcile	Identifies payment and filing differences early
Were new-hire and termination deadlines monitored	Reduces late-notification risk
Do foreign-worker permit conditions remain satisfied in payroll	Salary criteria and notifications are continuing obligations
Is access to personal data restricted	Payroll records may contain sensitive personal data

RETIREMENT AND EMPLOYEE STATUS

Turkey should not be described using one retirement age. First insurance date, insurance category, age, sex, and contribution days are considered together. Where a retiree continues to work under an employment contract, the social security support contribution and selected insurance treatment require separate review.

PERSONAL DATA AND TIME TRACKING

Personal Data Protection Law No. 6698 of 2016 requires purpose limitation, data minimization, security, and retention controls for payroll and personnel data. Medical reports, disability information, and biometric data require stricter controls.

VIII

Practical Notes and Key Considerations

The Personal Data Protection Board issued a principle decision on April 29, 2026. It requires less intrusive options, such as cards, passwords, or corporate system records, to be considered before biometric data is used for time tracking. Fingerprint or facial recognition should not become the default solely for convenience.

Where a standard contract is used for an overseas transfer of personal data, the contract must be notified to the Authority within five business days after signature. Transfers into a global payroll system, the service provider agreement, and access rights should be reviewed in this context.

PUBLICATION AND PERIOD CHECK

PARAMETER	RECHECK POINT
Minimum wage	Every new minimum-wage period
Minimum and maximum contribution base	Every new minimum-wage period
Income tax bands	At the start of each calendar year
Severance pay ceiling	January and July periods
Work permit criteria	Before every application and publication
Meal and transport exemptions	Each calendar year and regulatory amendment

> Verify before payroll
> Final check: The TRY 73,729.87 severance ceiling applies only from July 1, 2026 through December 31, 2026. If this guide is used in 2027, the amount must be updated before publication.

TURKEY PAYROLL DOSSIER · 2026

EOR & PAYROLL, HANDLED

Manage your Turkey & MENA payroll & employment from one centre with Datassist.

Minimum wage, cumulative income tax, SGK contribution bases, payroll declarations and work-permit duties require one coordinated operating calendar. Datassist helps international employers manage Turkey payroll and employment processes from a single centre.

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7+
MENA MARKETS

1
ONE COMPLIANCE OPERATION

0%
MISSED PAYROLL DEADLINES