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REGULATORY BRIEF · PAYROLL COMPLIANCE · TURKEY · 2026

Turkey Law No. 7566: 2026 Payroll Brief

SGK Ceiling, Employer Premium Rate, and Treasury Incentive Changes - Employer Cost Impact Guide

In This Guide

SGK Ceiling, Employer Premium Rate, and Treasury Incentive Changes - Employer Cost Impact Guide

What You'll Learn

- The three Law No. 7566 changes that took effect January 1, 2026
- A full before/after employer cost comparison using official SGK rates
- Three worked cost-impact examples covering small, mid-size, and enterprise employers
- How to preserve 4-point versus 2-point Treasury incentive eligibility
- A compliance checklist for HR and Finance teams

1.5M

1.5M payroll calculations per year

25+

25+ years in Turkey since 1999

500+

500+ active client engagements

ISO 27001

ISO 27001 + ISAE 3402 certified

2×

GPA Best In-Country Payroll Provider, twice

Get the Exact TRY Impact of Law 7566 on Your Turkey Payroll

Map My Law 7566 Cost Impact

Free SGK incentive classification review + before/after budget model

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Executive Summary

Turkey Law No. 7566 took effect January 1, 2026.

Executive Summary

The law amended three provisions of Law No. 5510, Turkey's Social Insurance and General Health Insurance Law. First, the SGK (Social Security Institution) earnings ceiling used to calculate employer premiums rose from 7.5 times the monthly minimum wage to 9 times. Second, the employer share of the Invalidity, Old Age, and Death premium increased from 11% to 12%. Third, the Treasury incentive available to non-manufacturing employers was cut from 4 percentage points to 2, while manufacturing employers retain the full 5-point incentive through December 31, 2026.

Every employer in Turkey is affected, whether payroll runs through a direct legal entity, an Employer of Record, or a Professional Employer Organization. The combined effect is not uniform. A company whose salaries stay below both ceilings sees an employer SGK cost increase driven entirely by the rate changes. That increase typically runs 5.6% to 16.0%, depending on Treasury incentive eligibility.

A company with high earners whose salaries cross the new, higher ceiling sees a larger increase. Those earnings move from partially capped to fully exposed. Our worked examples below show a small services company at plus 16.0% and a mid-size manufacturer at plus 5.6%, thanks to the retained manufacturing incentive. An enterprise with a concentrated group of high earners lands at plus 21.7%.

Three actions matter now. Reconcile your January 2026 payroll run against the rates in this brief. Confirm your Treasury incentive classification, since manufacturing and non-manufacturing employers face very different 2026 numbers.

Budget the rest of 2026 at the new ceiling and rate structure rather than the 2025 baseline. A correctly executed incentive review can also claw back 2 to 5 percentage points of gross payroll cost, which is where the opportunity sits inside an otherwise unavoidable increase.

SECTION TAKEAWAYS

1. Law 7566 raised the SGK earnings ceiling, raised the employer premium rate, and cut the Treasury incentive for non-manufacturing employers.
2. Effective January 1, 2026, and already reflected in payroll runs.
3. Typical employer SGK cost increase runs 16% to 22%, driven by a rate change that hits everyone and a ceiling change that hits high earners hardest.

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Background: What the Regulation Says

Official Gazette No. 33112 published on December 19, 2025.

Official Citation

Law 7566 amended Turkey's Social Insurance and General Health Insurance Law, Law No. 5510, in three places.

- **Law number:** 7566, "Law on Amendments to Tax Laws and Certain Laws and Decree Laws"
- **Publication:** Official Gazette No. 33112, December 19, 2025
- **Official source:** resmigazete.gov.tr, archived at resmigazete.gov.tr/eskiler/2025/12/20251219-1.htm
- **Effective date:** January 1, 2026

Three Amendments to Law No. 5510

Employer premium rate. The employer share of the Invalidity, Old Age, and Death premium rose from 11% to 12%. The employee share stayed at 9%. The combined premium is now 21% of covered earnings, up from 20%.

Treasury incentive. Non-manufacturing employers had their Treasury support cut from 4 percentage points to 2. Manufacturing employers keep the full 5-point incentive through December 31, 2026, extendable to December 31, 2027 by presidential decree. No extension had been announced as of this writing. Before the change, manufacturing received 5 points and non-manufacturing received 4 points, a structure in place since 2018.

Earnings ceiling. The SGK premium calculation ceiling rose from 7.5 times the monthly minimum wage to 9 times. Combined with the 2026 minimum wage increase, the ceiling itself rose 52.4% year over year:

- 2025 ceiling: 195,041.25 TRY (7.5 times the 2025 gross minimum wage of 26,005.50 TRY)
- 2026 ceiling: 297,270.00 TRY (9 times the 2026 gross minimum wage of 33,030.00 TRY)

KEY FINDING

The 52.4% ceiling increase comes from two separate changes stacked together: a 20% increase from the ceiling factor moving from 7.5x to 9x, and a 27.0% increase from the minimum wage itself rising from 26,005.50 TRY to 33,030.00 TRY gross. Foreign HR teams frequently attribute the entire ceiling increase to "the minimum wage went up" and miss the factor change completely, which understates the real number for anyone with employees earning above the old ceiling.

Why These Changes Were Made

The Turkish government raised the ceiling and the employer premium rate to support the Social Security Institution's long-term solvency. The Treasury incentive reduction for non-manufacturing employers eases budget pressure on the state side. The retained 5-point manufacturing incentive protects industrial employment, which the government has treated as a policy priority through several previous incentive cycles.

SECTION TAKEAWAYS

1. Law 7566 amended Law No. 5510, the Social Insurance and General Health Insurance Law.
2. Published December 19, 2025 in Official Gazette No. 33112, effective January 1, 2026.
3. Three changes: the earnings ceiling, the employer premium rate, and the Treasury incentive.

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Before vs After: 2025 vs 2026 Employer Costs

A foreign employer with 150 people in Turkey who budgets 2026 payroll at 2025 rates is already behind.

SGK Ceiling Impact on High Earners

Table 1: Before/After Comparison

VARIABLE	BEFORE (2025)	AFTER (2026)	IMPACT
Minimum wage (monthly, gross)	26,005.50 TRY	33,030.00 TRY	+27.0%
SGK earnings ceiling	195,041.25 TRY (7.5x)	297,270.00 TRY (9x)	+52.4%
Employer premium rate (Invalidity, Old Age, Death)	11%	12%	+1 percentage point
Combined premium rate (employer + employee)	20% (9% + 11%)	21% (9% + 12%)	+1 percentage point
Treasury incentive, non-manufacturing	4 percentage points	2 percentage points	-2 percentage points
Treasury incentive, manufacturing	5 percentage points	5 percentage points (through Dec 31, 2026)	At risk in 2027
Sample employer SGK cost, non-manufacturing, 50,000 TRY gross, below ceiling	9,375 TRY (18.75%)	10,875 TRY (21.75%)	+1,500 TRY (+16.0%)

Before 2026, any employee earning above 195,041.25 TRY monthly had employer premiums capped at that ceiling figure, no matter how much they actually earned. In 2026, the ceiling is 297,270 TRY, so earners between the old and new ceiling go from partially capped to fully exposed.

Example: a senior manager earning 220,000 TRY per month, non-manufacturing employer.

- 2025: premiums calculated on 195,041.25 TRY, the capped base
- 2026: premiums calculated on the full 220,000 TRY, since it now sits below the new ceiling
- The wider base alone adds (220,000 - 195,041.25) x 10% = 2,495.88 TRY per month to the employer premium cost, stacked on top of the rate increase every employee absorbs regardless of salary

High-earning roles such as C-suite, senior engineers, and finance directors see the largest absolute TRY increase in 2026. They are hit by both the rate change and the ceiling change at the same time.

Employer Premium Rate Impact on All Employers

The employer premium rate increase from 11% to 12% affects every employee whose earnings are subject to SGK, regardless of salary level.

Calculation, non-manufacturing, below the ceiling:

- 2025 total employer SGK cost: 18.75% of gross (net premium cost of 7% after the 4-point Treasury incentive, plus 11.75% for other SGK components: 7.5% general health, 2.25% short-term insurance, 2% unemployment)
- 2026 total employer SGK cost: 21.75% of gross (net premium cost of 10% after the 2-point Treasury incentive, plus 11.75% for other SGK components, unchanged)
- Net effect: +3 percentage points on all covered earnings below the ceiling

Treasury Incentive Changes by Sector

Non-manufacturing employers lost 2 percentage points of Treasury support, from 4 down to 2. Combined with the 1-point premium rate increase, the net employer rate increase is 3 percentage points. Effective employer SGK cost on gross earnings below the ceiling is now 21.75%, up from 18.75%.

Manufacturing employers retain the full 5-point incentive through December 31, 2026. Their 2026 increase is limited to the 1-point premium rate change, taking effective cost from 17.75% to 18.75%. The risk sits in 2027: if the 5-point incentive is not extended, manufacturing reverts to the same 2-point support as non-manufacturing employers, an additional 3-point hit on top of what already landed in 2026.

RISK

Many foreign employers do not know whether their Turkey entity qualifies for manufacturing or non-manufacturing incentive classification. Classification runs off NACE Rev.2.1 Section C activity codes, not a company's self-description. Misclassification, in either direction, can cost 2 to 5 percentage points of gross payroll.

SECTION TAKEAWAYS

1. The SGK ceiling rose 52.4%, combining a 20% ceiling-factor increase with a 27.0% minimum wage increase.
2. The employer premium rate increase of 1 percentage point applies to every employee below the ceiling.
3. Non-manufacturing employers lost 2 points of Treasury incentive, a net 3-point employer cost increase.

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Employer Cost Impact: Worked Examples

Three real scenarios, full math, in TRY and USD.

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Example 1: Small Service Company, 20 Employees, 40,000 TRY Average

Profile: an Istanbul-based marketing agency with 20 employees averaging 40,000 TRY gross per month, below both the 2025 and 2026 ceilings. Non-manufacturing, so the 2026 incentive is 2 points.

2025 monthly employer SGK cost, per employee: Gross 40,000 TRY x 18.75% (with the 4-point incentive) = 7,500 TRY

2026 monthly employer SGK cost, per employee: Gross 40,000 TRY x 21.75% (with the 2-point incentive) = 8,700 TRY

Impact:

- Monthly increase per employee: 1,200 TRY
- Monthly increase, 20 employees: 24,000 TRY
- **Annual increase: 288,000 TRY (approximately $5,960 at 48.29 TRY/USD)**
- **Percentage increase: +16.0%**

WORKED EXAMPLE

- 2025 monthly SGK total: 150,000 TRY (20 x 7,500)
- 2026 monthly SGK total: 174,000 TRY (20 x 8,700)
- Monthly variance: +24,000 TRY
- Annual variance: +288,000 TRY (approximately $5,960)
- Every salary in this scenario sits below both ceilings, so the entire increase is rate-driven, not ceiling-driven. This is the cleanest read on what Law 7566 costs a typical small employer with no high earners.

Example 2: Mid-Size Manufacturing, 150 Employees, 55,000 TRY Average

Profile: an Izmir-based automotive parts manufacturer with 150 employees averaging 55,000 TRY gross per month, below both ceilings. Manufacturing classification, so the 2026 incentive stays at 5 points through December 31, 2026.

2025 monthly employer SGK cost, per employee: Gross 55,000 TRY x 17.75% (with the 5-point incentive) = 9,762.50 TRY

2026 monthly employer SGK cost, per employee: Gross 55,000 TRY x 18.75% (5-point incentive maintained, +1 point from the premium rate only) = 10,312.50 TRY

2026 impact, incentive maintained:

- Monthly increase per employee: 550 TRY
- Monthly increase, 150 employees: 82,500 TRY
- **Annual increase: 990,000 TRY (approximately $20,500)**
- **Percentage increase: +5.6%**

2027 risk, if the 5-point incentive expires and manufacturing reverts to 2-point support:

- Employer rate becomes 21.75%, identical to non-manufacturing
- Additional monthly cost per employee: 55,000 TRY x 3% = 1,650 TRY
- Additional annual cost, 150 employees: 2,970,000 TRY (approximately $61,500)

RISK

Manufacturing employers need to monitor whether the 5-point Treasury incentive is extended past December 31, 2026. If it lapses, this company faces an additional 2.97 million TRY hit in 2027, on top of the 990,000 TRY already absorbed in 2026. This is a hypothetical scenario. No expiry or extension has been confirmed as of this writing, and the outcome depends on a presidential decree that has not yet been issued.

WORKED EXAMPLE

- 2026 annual increase versus 2025: 990,000 TRY
- 2027 annual increase versus 2025, hypothetical, if the 5-point incentive lapses: 3,960,000 TRY
- Total hypothetical two-year impact: 4,950,000 TRY (approximately $102,510)

Example 3: Enterprise Non-Manufacturing, 600 Employees, Mixed Salaries

Profile: a pan-European software company with a 600-person engineering hub in Turkey. Non-manufacturing, so the 2026 incentive is 2 points. Salary distribution:

- 200 employees at 45,000 TRY per month, below both ceilings
- 300 employees at 75,000 TRY per month, below both ceilings
- 100 employees at 220,000 TRY per month, above the 2025 ceiling of 195,041.25 TRY but below the 2026 ceiling of 297,270 TRY

2025 monthly employer SGK cost:

- 200 x 45,000 x 18.75% = 1,687,500 TRY
- 300 x 75,000 x 18.75% = 4,218,750 TRY
- 100 x 195,041.25 x 18.75% = 3,657,023 TRY (capped at the 2025 ceiling)
- **Total: 9,563,273 TRY**

2026 monthly employer SGK cost:

- 200 x 45,000 x 21.75% = 1,957,500 TRY
- 300 x 75,000 x 21.75% = 4,893,750 TRY
- 100 x 220,000 x 21.75% = 4,785,000 TRY (now fully covered, since it sits below the new ceiling)
- **Total: 11,636,250 TRY**

Impact:

- Monthly increase: 2,072,977 TRY
- **Annual increase: 24,875,719 TRY (approximately $515,080)**
- **Percentage increase: +21.7%**

High-earner impact breakdown: the 100 high earners alone drove 1,127,977 TRY of the monthly increase, 54% of the total variance, despite representing under 17% of headcount. The ceiling change hit this group hardest. Moving from a capped base of 195,041.25 TRY to a full base of 220,000 TRY adds 24,958.75 TRY of newly exposed earnings per person, on top of the rate change every employee absorbs.

WORKED EXAMPLE

- 2025 annual SGK total: 114,759,281 TRY (9,563,273 x 12)
- 2026 annual SGK total: 139,635,000 TRY (11,636,250 x 12)
- Annual variance: +24,875,719 TRY (approximately $515,080)
- Percentage increase: +21.7%

KEY FINDING

High earners at 220,000 TRY per month were previously capped at 195,041.25 TRY for premium calculation purposes. The 2026 ceiling increase to 297,270 TRY means they are now fully covered, driving a disproportionate cost increase for employers with concentrated senior or expatriate headcount in Turkey. A company with even 50 employees at this salary level absorbs roughly 6,767,859 TRY (approximately $140,130) in additional annual cost from Law 7566 alone.

SECTION TAKEAWAYS

1. Small companies below the ceiling: +16.0% typical increase, entirely rate-driven.
2. Manufacturing below the ceiling: +5.6% in 2026, but facing a 2027 cliff risk if the 5-point incentive expires.
3. Enterprise with high earners crossing the ceiling: +21.7%, driven by both the rate change and the ceiling change together.

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Compliance Checklist: What to Do Now

Ten actions for HR and Finance teams managing Turkey payroll.

Compliance Checklist: What to Do Now

#	ACTION	WHY IT MATTERS
1	Reconcile January 2026 payroll against this brief's calculations	Verify your vendor applied the new rates correctly. Errors compound every month they go uncorrected.
2	Verify Treasury incentive eligibility, 4-point versus 2-point classification	Misclassification can cost several points of gross payroll. Manufacturing versus non-manufacturing rules run off specific NACE Rev.2.1 Section C codes.
3	Budget 2026 Turkey payroll 16% to 22% higher than the 2025 baseline	Your CFO needs a variance explanation. Law 7566 is the single largest driver for most Turkey payrolls this year.
4	If manufacturing, confirm the 5-point incentive extension timeline	The current 5-point rate expires December 31, 2026. Extension is undecided. Monitor the Official Gazette directly.
5	Model high-earner impact for salaries above 195,000 TRY	The ceiling change hits senior roles hardest. C-suite, tech leads, and finance directors see the largest per-person increase.
6	Request an SGK incentive optimization review from your Turkey payroll provider	Eligible employers can preserve 2 to 5 percentage points of gross payroll cost if classification is handled correctly.
7	Update your multi-country payroll dashboard if running Turkey plus MENA	Turkey's variance needs to be isolated from UAE WPS, Saudi Mudad, and Egypt social insurance changes running on separate timelines.
8	Brief the CFO using this guide's worked examples as a template	Apply Example 1, 2, or 3's math to your own headcount and salary distribution to build a defensible variance report.
9	Archive this brief with your 2026 Turkey compliance documentation	SGK audits check premium calculation. Official Gazette No. 33112 is the primary source.
10	Verify your Turkey EOR or PEO sent a compliance brief by February 2026	Law 7566 published December 19, 2025. A vendor that briefs clients on major SGK changes within 30 days is doing the job you are paying for.

RISK

Global SaaS EOR platforms cover 110-plus countries out of one interface. When Turkish SGK law changes, who actually updates your payroll calculation? A platform agent working from a support ticket, or a named Turkey specialist who read the Official Gazette the day it published? Deel's January 2025 money-laundering lawsuit is a reminder that scale and compliance rigor are not the same thing.

SECTION TAKEAWAYS

1. Reconcile January payroll against the official rates in this brief before month-end close.
2. Verify Treasury incentive classification. There are 2 to 5 percentage points of savings at stake for the right employer.
3. Manufacturing employers should monitor the 5-point incentive extension past December 31, 2026 as a live risk item.

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EOR / PEO + Payroll Outsourcing + Incentive Consulting: How Datassist Delivers

Law 7566 changed your Turkey budget overnight. Here is how Datassist handles compliance when the regulation shifts under your payroll.

How It Works

Turkey Law No. 7566 is a major SGK regulation change. Foreign employers managing Turkey payroll run into the same problem every time a law like this passes. The regulation changes, the vendor email is generic, and the CFO needs a concrete TRY number fast.

Datassist has run Turkey payroll for two decades. When Official Gazette No. 33112 published on December 19, 2025, our Turkey-based regulatory team began preparing client briefings that same week.

This is what 20 years of Turkey compliance looks like in practice.

A named Turkey specialist is assigned to your account. Every client has a direct line to a named, SGK-credentialed payroll specialist rather than a support ticket queue. When Law 7566 published, clients could call their specialist directly and get a real answer the same day.

SGK incentive optimization is built into onboarding. We verify Treasury incentive eligibility, 4-point versus 2-point classification, as a standard part of setting up a new client, not as an upsell after the fact. Foreign HR teams frequently do not know how the incentive mechanics work. We handle the classification and the ongoing monitoring so nothing lapses quietly.

Regulation monitoring is included, not billed separately. Our regulatory team reads every Official Gazette publication that touches payroll and social security law. A law change triggers a client briefing quickly, not a surprise line item in the January payroll run.

Reporting is audit-grade. Monthly payroll reports break out SGK employer cost by premium category: the Invalidity, Old Age, and Death premium, sickness and maternity, work accident, unemployment, and general health insurance. Your CFO can see exactly where Law 7566 hit, line by line, rather than absorbing one lump variance.

Why Datassist

Two decades in Turkey. Datassist has run Turkey payroll since 2006, with no public compliance incident across that history. The Global Payroll Association has recognized Datassist as Best In-Country Payroll Provider of the Year, twice. That track record positions Datassist as the accountable alternative to the trust gaps that have shown up at global SaaS EOR platforms: Deel's money-laundering lawsuit in January 2025, and documented billing and payment-delay complaints reported by users of other large platforms.

Named specialists, not platform agents. Your Turkey payroll runs through a named specialist based in Istanbul, with a direct line and no ticketing system between you and the person doing the work. When SGK law changes, that specialist reads the Official Gazette directly rather than waiting for a corporate update to trickle down.

SGK incentive expertise as a standing service. Datassist optimizes Treasury incentive eligibility for every client, verifying sector classification, regional incentives, and Law 7566's transition rules as an ongoing part of the engagement. Eligible employers typically preserve 2 to 5 percentage points of gross payroll cost through correct classification alone.

Turkey and MENA on one team, for multi-country employers. If you run Turkey, UAE, Saudi Arabia, and Egypt payroll across several vendors today, Datassist consolidates that into a single point of contact. Statutory severance pay in Turkey and End-of-Service Benefit calculations across the GCC are handled by the same team, on the same reporting cadence.

EXPERT TAKE

Across our Turkey client base, the most common Law 7566 error we have seen is employers with high-earning staff budgeting 2026 at the old 195,041.25 TRY ceiling without accounting for the ceiling-factor change to 9x, which left January payroll well over budget. The second most common error is non-manufacturing employers who did not realize they lost 2 points of Treasury incentive and attributed the entire increase to "the minimum wage went up," missing where roughly a third of their variance actually came from.

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Compliance Footer

This brief is for informational purposes only and does not constitute legal or tax advice.

Compliance Footer