

The Limit for Severance Payment has been Increased to TRY 15,371.40

27 Jul 2022

With the Circular on Financial and Social Rights ("**Circular**") published by the Ministry of Treasury and Finance-General Directorate of Public Financial Management and Transformation on 4 July 2022, the severance payment limit has been determined as TRY 15,371.40. The regulations regarding the severance pay limit within the scope of the Circular are as follows:

- While calculating the severance pay, a maximum limit has been set regarding the determination of the final wage of the employee to be taken as a basis for the calculation. The regulation regarding the severance pay limit is included in article 14 of abrogated Employment Law numbered 1475 and this article is still valid through current Employment Law numbered 4857.
- Accordingly, the annual amount of severance pay cannot exceed the maximum retirement bonus to be paid to the highest civil servant subject to Civil Servants Law numbered 657 for one year of service in accordance with the provisions of Pension Fund Law numbered 5434.
- With the Circular, the severance pay limit was re-determined in parallel with this regulation. In this regard, the severance pay limit amount to be applied between the dates 1 July 2022 - 31 December 2022 is determined as TRY 15,371.40.
- Additionally, in accordance with the Circular, if the employers have made severance payments to employees between 1 July 2022 - 14 July 2022; the new limit should be taken into consideration and differences between the amounts (if any) should be paid.

Details of the circular can be found through [this link](#). (Only available in Turkish)

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