

Turkey Amends the Law on Evaluation of Services, given abroad by Turkish Citizens, in terms of Social Security

27 Aug 2019

The Law number 3201 on Evaluation of Services, given abroad by Turkish Citizens, in terms of Social Security (the "**Law**"), is amended with the Law Number 7186 Amending Income Tax Law and Certain Other Laws (the "**Omnibus Bill**"). The amendments entered into force on 1 August 2019.

Turkish citizens residing abroad ("**Citizen**") have been able to incur debt to Turkish Social Security Institution ("**SSI**") and count the following periods as borrowed days in the calculation of their retirement in Turkey:

- The periods that the Citizen was covered by social security abroad,
- The periods spent as a housewife outside of social security coverage,
- The unemployment period up to one year that the Citizen has spent between or during the social security coverage periods.

Some important points put forth by the Omnibus Bill are as follows:

- Citizens should apply to SSI to benefit from rights such as being covered by social security or receiving a monthly salary, in other words, to incur a debt towards SSI to adjust their time spent working abroad to the initiation of their retirement in Turkey. The borrowing operations of those who and whose beneficiaries receive a partial salary are carried out by SSI. This means, as of 1 August 2019, SSI is appointed as the solely authorized institution for social security operations of Citizens.
- Incurring debt for each day taken into account for the borrowing is increased and determined as 45% of the Citizen's daily earning.
- The borrowed days will be evaluated as per social security principles of persons who work independently (formerly known as, Social Security Organization for Artisans and the Self-Employed). Further, if the Citizen borrowed an amount corresponding to the days prior to the start of his/her social security in Turkey, the borrowed days in question will be counted backward in order to determine the date of the initiation of the social security in Turkey. If the Citizen is not covered by social security in Turkey, the initiation of the social security will be counted backward for the amount of the borrowed days from the date the borrowed amount has been fully paid.
- The institution to perform the transformation of Citizen's salary from partial to a full based on the social security status is determined.
- The article stipulating that elements such as degree, level and additional indicators will be taken into account in the calculation of the pension of the contributors subject to the State Retirement Fund has been abolished.
- If the Citizens who requested to borrowing for their time spent abroad paid their incurred debts within the legal term (3 months following the notification of the debt) before 1 August 2019, they are subject to the previous version of the Law for the determination of their social security status and incurred debt.

Please see this [link](#) for full text of the Omnibus Bill, published in the duplicated Official Gazette number 30836 on 19 July 2019 (only available in Turkish).

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