

Turkey Introduces Auto-Enrolment for Employee Pension Scheme

18 Oct 2016

From 1 January 2017, employers must enrol all employees into an Individual Pension System if they are under 45 year's old and Turkish citizens. Employees can terminate their enrolment in the pension scheme within two months of being notified of their enrolment. Employees will receive a one-off 1,000 TL state contribution if they choose to remain in the scheme. If an employee terminates their enrolment, any contribution payments and investment incomes will be returned to the employee within ten working days.

The Law Amending the Law on the Individual Pension Savings and Investment System ("**Amendment Law**") was published in Official Gazette number 29812 on 25 August 2016. The Amendment Law adds provisions about auto enrolment into the Law on the Individual Pension Savings and Investment System No. 4632.

Employers will be liable for any monetary losses which arise due to failing to duly transfer an employee's contribution payments to the pension company, or from delayed transfers.

Individual pension companies must not deduct any fees from the employees' savings, besides the fund management fee.

The Council of Ministers will determine further details for the scheme, including which specific workplaces and employees it will apply to. All other procedures and principles regarding the pension system will be determined by the Under Secretariat of the Treasury.

Please see this [link](#) for full text of the Amendment Law (only available in Turkish).

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