

Newsletter

EMPLOYMENT LAW
MAY - AUGUST 2025



Contents

Occupation Code Restriction Introduced in the Scope of Actual Service Period Increase	3
Workplace Hazard Classifications Updated for Certain Sectors	3
New Threshold for Mandatory Salary Payments via Banks	4
Key Amendments to the Labour Law	5
Deportation Costs of Unauthorized Foreign Workers to Be Charged to Employers	5
Notification Procedures under the Labor Law Revised	6
Tax Incentive Cap Introduced for R&D, Design and Software Personnel	7
New SSI Regulation on Time-Barred Debts	8
Important Judicial Decisions	9

Occupation Code Restriction Introduced in the Scope of Actual Service Period Increase

Legal Basis: Social Security Institution Announcement dated 2 May 2025

Effective Date: 1 April 2025

The Social Security Institution (“SSI”) has announced that certain occupational codes can no longer be submitted through the system for workplaces subject to additional service period increase. Inspections revealed that individuals employed in positions such as tea servers, secretaries, consultants, and guards were reported using social security codes reserved for physically hazardous occupations, although their roles did not expose them to such risks. As of April 2025, the system automatically blocks ineligible occupational codes and notifies employers with warning messages in case of incorrect usage. However, if an employee working in a genuinely risky job is restricted by the system, the employer may apply to the relevant SSI directorate and submit evidence of the job’s nature. Upon approval, the system will be updated accordingly.

Workplace Hazard Classifications Updated for Certain Sectors

Legal Basis: Communiqué Amending the Communiqué on Workplace Hazard Classes Related to Occupational Health and Safety

Effective Date: 21 May 2025

Pursuant to the communiqué published in the Official Gazette dated 21 May 2025 and numbered 32906, the occupational hazard classifications of several business activities have been revised. As a result, certain sectors previously classified as “less hazardous” have now been reclassified as “hazardous.” This change directly impacts activities such as the manufacturing of pasta, vermicelli, and couscous (Code 10.73.03), courier services excluding universal postal and food delivery (Code 53.20.09), and the maintenance and repair of military aircraft and spacecraft (Code 33.18.02).

Reclassification from “less hazardous” to “hazardous” significantly affects the employer’s obligations under occupational health and safety regulations.

Under the new classification, the appointment of a Class C occupational safety specialist is no longer sufficient; employers are now required to engage at least a Class B specialist. Furthermore, the annual training hours for employees must be increased, and risk assessments, periodic inspections, and emergency drills must be planned more frequently and in a more comprehensive manner.

Employers must promptly adapt their workplace safety practices and documentation to comply with the new classification. Maintaining up-to-date and complete records in line with legal requirements is not only essential for routine inspections but also serves as a key line of defense in the event of a workplace accident. Timely and full compliance with the updated classification is therefore critical for avoiding administrative penalties and minimizing potential legal risks.

New Threshold for Mandatory Salary Payments via Banks

Legal Basis: Regulation Amending the Regulation on the Payment of Wages, Premiums, Bonuses, and Other Similar Receivables through Banks

Effective Date: 1 July 2025

Pursuant to the amendment published in the Official Gazette on 4 June 2025, the employee threshold for employers' obligation to pay wages, premiums, bonuses, and similar receivables through banks has been lowered. As of 1 July 2025, this obligation—which previously applied to employers with at least five (5) employees—will also extend to those employing three (3) or more employees.

The amendment applies not only to employees subject to Labor Law numbered 4857 (“Labor Law”) but also to journalists governed by Law numbered 5953 and seafarers subject to the Maritime Labor Law numbered 854. When calculating the total number of employees for journalists, all personnel at the workplace must be taken into account.

This change aims to promote traceable and registered payment practices across smaller-scale enterprises.

Key Amendments to the Labour Law

Legal Basis: Law Amending Certain Laws and Decree Law numbered 375

Effective Date: 14 July 2025

Pursuant to the law published in the Official Gazette on 14 July 2025, several provisions of the Labor Law have been amended. Within this scope, greater flexibility has been introduced regarding the use of weekly rest days for employees working in accommodation facilities operating under a tourism operation license issued by the Ministry of Culture and Tourism. With the employee's written consent, the 24-hour weekly rest period may now be granted within four days following the date on which the entitlement arises. Work performed during this timeframe will not be considered overtime unless it exceeds the standard daily working hours. The consent given by the employee may be withdrawn with at least 30 days' prior written notice. In addition, the authority to impose administrative fines for violations of the Labor Law has been transferred from the Regional Directorates of the Ministry of Labor and Social Security to the Provincial Directorates of the Turkish Employment Agency.

For employers operating in more than one province, the administrative fines will now be enforced by the provincial directorate in which the employer's head office is located.

Deportation Costs of Unauthorized Foreign Workers to Be Charged to Employers

Legal Basis: Regulation on the Collection of Expenses from Employers Regarding Foreign Nationals Working Without Permit and Being Subject to Deportation

Effective Date: 23 January 2026

The Regulation published in the Official Gazette on 23 July 2025 introduces new rules concerning the recovery of certain deportation-related costs from employers who have employed foreign nationals without a valid work permit in Türkiye.

Under the new framework, if a foreign national is deported due to unauthorized employment and the associated expenses, such as accommodation at removal centers, transportation costs for repatriation, and essential healthcare services, cannot be recovered from the individual concerned, these costs shall be collected from the employer or the employer's representative.

The regulation further clarifies that such costs may also include expenses incurred for the foreign worker's spouse and children. The per-unit cost of accommodation and lodging will be determined by the Directorate General of Migration Management at the beginning of each fiscal year as a fixed amount. Employers will be formally notified in writing, and payments must be made within one month of such notification. If the employer fails to comply, recovery procedures will be initiated in accordance with the Law numbered 6183 on the Procedure for the Collection of Public Receivables.

This regulation increases the administrative and financial liabilities of employers with respect to the employment of foreign nationals and reinforces the obligation to ensure full compliance with work permit requirements.

Notification Procedures under the Labor Law Revised

Legal Basis: Labor Law

Effective Date: 24 July 2025

Pursuant to the amendments introduced by Law numbered 7555 published in the Official Gazette on 24 July 2025, several changes have been made to the Labor Law, including a new procedure regarding notifications to be made by employers to employees.

Under the new regulation, notifications by the employer may now be served through the Registered Electronic Mail ("KEP") system, provided that the employee has given prior written consent.

This amendment facilitates digitalization in HR practices, particularly regarding notifications such as warnings and general information, and is expected to streamline operational processes. However, it is explicitly stated that notifications resulting in the termination of an employment contract are excluded from this scope. Termination notices must still be made in writing and through physical delivery. Furthermore, all costs associated with the use of the KEP system are to be borne by the employer.

To ensure proper implementation, employers are advised to revise their internal procedures and HR policies in line with the updated framework.

Tax Incentive Cap Introduced for R&D, Design and Software Personnel

Legal Basis: Amendments Introduced by Law numbered 7555 to Law numbered 4691 and Law numbered 5746

Effective Date: 1 August 2025

The Law numbered 7555, published in the Official Gazette dated 24 July 2025 and numbered 32965, introduced amendments to the Law numbered 4691 on Technology Development Zones and the Law numbered 5746 on Supporting R&D, Design and Software Activities. Within the scope of these changes, a monetary cap has been introduced on the personal income tax withholding incentive and stamp tax exemption applied to eligible personnel.

Under the new regulation, only the portion of salaries paid to R&D, design, software, and support personnel up to forty times the gross minimum wage will benefit from the income tax withholding incentive and stamp tax exemption. Based on the gross minimum wage applicable for the second half of 2025, this threshold has been calculated as TRY 1,040,220.

the second half of 2025, this threshold has been calculated as TRY 1,040,220. Any portion of the salary exceeding this threshold will not be subject to the incentive or exemption and will be taxed under the general regime.

The income tax withholding incentive will apply to the income tax calculated over the salary portion not exceeding the cap, after deducting the amount corresponding to the minimum wage exemption. The applicable incentive rates are:

- 95% for employees holding a Ph.D. or at least a master's degree in a supported field,
- 90% for employees with a master's degree or a bachelor's degree in a supported field,
- 80% for all other employees.

For personnel working in technology development zones (i.e., technoparks), the applicable rate will continue to be 100%.



New SSI Regulation on Time-Barred Debts

Legal Basis: Circular numbered 2025/12 issued by the Social Security Institution

Effective Date: 25 August 2025

On 25 August 2025, the SSI published Circular numbered 2025/12, introducing significant changes regarding the treatment of time-barred premium and other contribution debts. The Circular updates relevant provisions of Circular numbered 2020/20 on Employer Procedures, in line with the decision of the Council of State Plenary Session of the Administrative Law Chambers (file no. 2024/83, decision no. 2025/486, dated 03/03/2025).

Under the new regulation, time-barred debts may only be paid voluntarily and can no longer be collected through enforcement proceedings. If such a debt is identified, SSI will notify the employer, granting a 15-day period to make the payment. However, if the debt is not paid within this period, no enforcement action will be initiated.

Furthermore, in cases where enforcement proceedings were previously initiated before the expiration of the limitation period, and the debtor later objects on the grounds of statute of limitations, the debt will be removed from the enforcement system by the SSI Premium Accrual Objection Commission or by court order.

Following this change, time-barred debts will no longer be considered for the purposes of "no outstanding debt" letters, eligibility for SSI incentives and supports, access to healthcare services, VAT refund and offsetting procedures, or the issuance of clearance certificates. While such debts were previously treated as active liabilities, they are now deemed subject solely to voluntary payment. In light of this update, employers are advised to review their communication and collection processes with SSI regarding time-barred liabilities and revise their internal documentation and objection procedures accordingly.

IMPORTANT JUDICIAL DECISIONS

Constitutional Court Decision, File No. 2023/158, Decision No. 2024/187 – dated 05.11.2024

The Constitutional Court (“Court”) annulled the first paragraph of Article 27 of the International Private and Procedural Law Act No. 5718 (“IPPL”), on the grounds that it does not adequately safeguard employee rights. According to the decision published in the Official Gazette dated 10 March 2025, allowing an employer to choose a foreign law that restricts the rights granted to the employee under the law of the habitual place of work was deemed contrary to Article 49 of the Constitution, which enshrines the principle of protecting employees. The ruling offers a critical constitutional assessment of choice-of-law clauses, particularly in employment contracts with cross-border elements.

Key Findings:

- The annulled provision of Article 27/1 of the IPPL allowed parties to choose a foreign law to govern their employment contracts.

- The Court found that employees typically lack bargaining power against their employers and are often unable to freely exercise their will in accepting the choice-of-law clause.
- It emphasized that employees may suffer a loss of rights due to insufficient knowledge of the content of the foreign law.
- The simultaneous exclusion of Article 27/4 of the IPPL—which allows courts to apply the law most closely connected to the employment relationship—was assessed as weakening the employee protection mechanism.

Conclusion:

- The annulment decision was published in the Official Gazette on 10 March 2025 and is set to enter into force six months later, on 10 September 2025.
- As a result, it will no longer be possible to include direct choice-of-law clauses in employment contracts.
- However, the Court did not call for a blanket prohibition on choice-of-law provisions; rather, it indicated that new legal regulations should be introduced to ensure the protection of employees.
- Article 27/2 of the IPPL remains in force, meaning that in the absence of a valid choice of law, the law of the employee’s habitual place of work will continue to apply. 9

Court of Cassation 9th Civil Chamber Decision, Case No. 2024/14510, Decision No. 2025/46 - dated 7 January 2025

In its decision published in the Official Gazette dated 15 May 2025, the 9th Civil Chamber of the Court of Cassation clearly stated that the wage deduction and direct payment liability regulated under Article 36 of the Labor Law can only be applied to public legal entities. According to the decision, private legal entities acting as contractors or subcontractors cannot be held liable under this article.

Key Findings

- Article 36 of the Labor Law provides that, for works carried out between public institutions and contractors, unpaid wages of the last three months shall be directly paid to the workers by deducting from the contractor's receivables.
- In the case at hand, the claimant worker requested labor receivables from a private legal entity based on a contract of work; the court of first instance held the defendant private company liable under Article 36.
- Upon the Ministry of Justice's appeal in the interest of law, the Court of Cassation ruled that Article 36 is binding only for contracting authorities with public legal personality and cannot be applied to private legal entities.

- Therefore, it was emphasized that the case should have been dismissed due to the lack of legal standing against the private legal entity acting as the defendant, and the decision was reversed in the interest of law.

Conclusion:

This decision is significant in clarifying that private sector employers cannot be subject to the direct payment liability regime specific to public authorities under Article 36 of the Labor Law. In particular, in contractor-subcontractor relations where the employer is not a public authority, claims based on Article 36 should not be pursued. In practice, this clarification should guide the defense strategies in disputes concerning contractors' payment obligations.



Our Team



Birnur Dal Eraslan
Founding Partner
birnur.dal@dtlaw.com.tr

 www.dtlaw.com.tr

 [www.linkedin.com/company/
dt-law-firm/](https://www.linkedin.com/company/dt-law-firm/)



Ayris Tarcan
Founding Partner
ayris.tarcan@dtlaw.com.tr

 info@dtlaw.com.tr

 Levent Mah. Karanfil Sok. No:13
Beşiktaş/İstanbul