

Changes to minimum wage, severance payments and administrative fines for 2021

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Minimum wage
Severance payments
Administrative fines

At the beginning of each year, the minimum wage, severance payments and administrative fines prescribed by the Labour Act are revised. On 1 January 2021 the changes for 2021 came into effect.

Minimum wage

In 2020 the monthly minimum wage rate was TL2,943 (gross). As of 1 January 2021, this has increased to TL3,577.50 (gross). The new rate applies from 1 January 2021 to 31 December 2021.

The minimum wage applies to all employees, regardless of age, industry and experience. The only exceptions concern the coal and lignite mining industries, where the minimum wage must equal at least twice the regular rate (ie, the monthly minimum wage for coal and lignite miners is TL7,155 (gross)).

Severance payments

Subject to several conditions, employees are entitled to a severance payment of one month's salary for each year of service on the termination of their employment. The government determines a ceiling for such payments on a six-month basis. From 1 January 2021 to 30 June 2021, the maximum severance payment has increased from TL7,117.17 (gross) to TL7,638.69 (gross). The next adjustment to the maximum severance payment will be made on 1 July 2021.

Administrative fines

Several administrative fines are regulated under the Labour Act, including fines for a failure to:

- ensure the equal treatment of employees;
- pay the minimum wage;
- hire disabled persons; or
- follow collective redundancy procedures.

Administrative fines are also revised once a year. Compared with 2020, the rate of administrative fines in 2021 has increased by 9.11%.

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