

29.07.2020

**REGARDING THE AMENDMENTS TO THE LABOUR LAW AND THE UNEMPLOYMENT
INSURANCE LAW WITH THE LAW NO 7252**

Within the scope of the measures taken due to Covid-19 outbreak, the Labour Law No 4857 (the “**Labour Law**”) and the Unemployment Insurance Law No 4447 (the “**Unemployment Insurance Law**“) have been amended with the Law on the Establishment of the Digital Media Committee and Amendments to Certain Laws No 7252 (the “**Law No 7252**”) published in the Official Gazette dated 28 July 2020 and numbered 31199.

1. Amendments to the Labour Law

a) Exceptions of Termination Prohibition

With the Law No 7244, it was already regulated that **employment and service agreements cannot be terminated by the employer for 3 months starting from 17 July 2020 (*this date has later been extended to 17 August 2020*)**, except for cases which do not comply with ethics and good faith principles and other similar reasons indicated under subparagraph (II) of paragraph one of Article 25 of the Labour Law.

With the Law No 7252, the following have been added to the exceptions to the termination prohibition:

- expiration of the term in employment or service agreements with definite term
- closure of the business for any reason and cease of its activity
- all kinds of service purchases made according to the relevant legislation and cease of work in construction works

Thus, in case of the above-mentioned situations, the employer will be entitled to terminate the employment/service agreement without being subject to the termination prohibition.

b) Time Extensions Regarding the Unpaid Leave and Termination Prohibition

With the Law No. 7244 it was regulated that the employer is entitled to put the employees on unpaid leave unilaterally, being subject to the same period for termination prohibition. The

relevant period ends on 17 August 2020 according to the latest update. Nevertheless, the President is authorized to extend the aforementioned period.

As a result of the amendment brought by the Law No 7252, the President is authorized to extend the periods of termination prohibition as well as the unpaid leave to maximum three months each time until 30 June 2021.

2. Amendments within the scope of Unemployment Insurance Law

a) Premium Support to Employers

In accordance with the Provisional Article 26 added to the Unemployment Insurance Law by the Law No 7252, in case the insured employees who benefit from short-time work allowance in private sector workplaces which had applied for short-time work within the scope of the Provisional Article 23 before 1 July 2020;

- are employed in a workplace where short-time work is terminated
- have returned to normal weekly working hours in the same workplace

employer will be granted a premium support covering **the full amount of employee's and employer's share of the premiums** calculated in accordance with the lower limit of the average Daily earning taken as basis to premium determined pursuant to Article 82 of the Law No 5510 **for three months starting from the month following the termination date of short-time work**, in such a way that it will not exceed 31 December 2020 and the support amount will be covered by the Unemployment Insurance Fund ("Fund"). The President is authorized to extend the aforementioned period of three months to six months, **either individually by sector or as a whole.**

In case the employees who benefit from daily wage support¹ within the scope of Provisional Article 24 by making an application before 1 July 2020, returns to the normal weekly working hours, the employer shall benefit from the abovementioned premium support for the employee in question with the terms and conditions specified for premium support above.

¹ The daily wage support in the amount of TRY 39.24 granted to employees on unpaid leave under the Provisional Article 10 added to the Labour Law, employees who cannot benefit from Short-Time Working Wage, employees whose employment agreements were terminated after 15 March 2020 pursuant to Article 51 of the Unemployment Insurance Law, employees who do not benefit from unemployment allowance under the other provisions of the Labour Law.

Employers who benefit from the said incentive will not be able to benefit from other insurance premium rebates, incentives and support for the same employee in the month that the incentive is used.

In case;

- it is detected that the workplace benefited from the short-time work improperly,
- the result of the compliance determination relating to short-time work application is negative; or
- it is detected that the workplace benefited from the daily wage support within the scope of the Provisional Article 24 improperly,

the relevant workplace shall not benefit from the said premium support or shall be deemed to have unduly benefited. Within this context, if it is determined that the support has been taken unnecessarily, the amount of support will be collected from the employer in accordance with the second paragraph of Article 89 of the Law No 5510, together with the default penalty and default interest.

b) Extension of Short-time Work Allowance Period

The President has been authorized to extend the duration of the short-time work allowance **individually by sector or as a whole** with the addition made to the Provisional Article 23. The president has this authority until 31 December 2020.

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Should you have any queries, please do not hesitate to contact us.

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