

CIRCULAR
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Subject:

THE PRACTICE OF SHORT-TIME WORK FOR PERIODS WHEN WORK WILL BE PAUSED AT THE WORKPLACE DUE TO CORONAVIRUS

The notice published by İŞKUR on the internet address <https://iskur.gov.tr/> stated that there were ongoing efforts in line with the decision "to introduce Short-Time Work Allowance and to facilitate and accelerate the processes required to benefit such allowance" included in the "Economic Stability Shield Package" announced by the President in relation to the Coronavirus (COVID-19) on March 18, 2020. Furthermore, it is stated that, **as part of the decision made by the Board of İŞKUR and in consideration of the possible effects of the Coronavirus (Covid-19), the short-time work practice had been launched** due to "a compelling reason arising from periodic cases due to external impact".

Additional Article-2 of the Unemployment Insurance Law No. 4447 sets out provisions on "short-time work and short-time work allowance". The Regulation on Short-Time Work and Short-Time Work Allowance defines short-time work as "***the act of temporarily reducing the working hours in effect at a workplace by a minimum one-third in one section or all sections of the workplace or stopping operations completely or partly for a minimum period of four weeks without seeking the condition of continuity, all due to the reasons listed in Additional Article-2 of the Law No. 4447 for a maximum period of three months***".

In the case of short-time work, workers satisfying the requirements are paid short-time work allowance and General Health Insurance premiums **for up to three months** for the unworked period. The President has the power to extend this period to six months.

Employers wishing to implement short-time work due to negative impact of Covid-19 pandemic can apply to Labor and Employment Agency Provincial Directorates and Service Centers (Çalışma ve İş Kurumu İl Müdürlükleri ve Hizmet Merkezleri) by sending the required documents to the specially-designated **electronic mail addresses** starting from March 23, 2020.

Employers wishing to apply for short-time work on the grounds that they are adversely affected by the coronavirus can do so by sending *the list bearing the information regarding the workers to be subject to short-time work* as well as a *Short-Time Work Request Form TOGETHER WITH THE EVIDENCE THEREOF* to the **electronic mail address** of the İŞKUR unit they are affiliated to via electronic mail.

It is critical to add the documents that constitute the basis for the negative impact of the coronavirus to the application in order to conclude the applications quickly on paper without actually going to the workplace. If necessary, employers may be contacted and additional documents may be requested. Upon receipt of their applications, employers will be informed as soon as possible in the same mode of communication that they submitted their applications. **The applications will be sent to the Directorate of Guidance and Inspection for compliance**

check. All checks will be performed at the Directorate of Guidance and Inspection or at Group Directorates **without actually going on site, exclusively based on the relevant application documents and the attachments thereof and without issuing a report for checks.**

Employers requesting short-time work on the grounds that they are adversely affected by the coronavirus **will be informed about the result of their applications at their electronic mail addresses which they used to submit their applications.** Employers with eligible applications **will update the Short-Time Work Notification List within the period notified by the Agency and send it to the electronic mail address of the İŞKUR unit they applied to.**

In order for a worker to benefit from the Short-Time Work Allowance,

- The employer's short-time work application must be found eligible after the checks to be conducted by labor inspectors,
- **The worker must have a service contract covering the last 120 days prior to the start of the short-time work and his unemployment insurance premium must be paid for at least 600 days in the last three years,** (The said term was shortened to 60 days and 450 days through a law adopted by The Grand National Assembly of Turkey. The law in question is expected to be published in the Official Gazette in a short time.)
- During checks by labor inspectors, the worker's information must be available on the list of those who will be subject to short-time work.

The daily short-time work allowance is **60% of the average daily gross earnings** of the insured, calculated in consideration of **the gross earnings of the insured in the last 12 months.** The amount of short-time work allowance calculated as such **cannot be more than 150% of the monthly gross minimum wage.**

Below is the calculation for monthly short-time work allowance for 2020.

	Monthly Average of Gross Earnings in the Last 12 Months (A)	The Amount of Short-Time Work Allowance as Calculated (B) (A x 60%)	Stamp Duty (C) (B x 7.59 per thousand)	The Amount of Short-Time Work Allowance to be Paid (D) (B – C)
Employees on Minimum Wage for the Last 12 Months	2,943.00	1,765.80	13.40	1,752.40
Employees working for TL 4,000 for the Last 12 Months	4,000.00	2,400.00	18.22	2,381.78
Employees working for TL 7,000 for the Last 12 Months	8,000.00	4,414.50 (*)	33.51	4,380.99

(*) Since the amount of short-time work allowance calculated cannot be more than 150% of the monthly gross minimum wage, the monthly amount of short-time work allowance to be paid is calculated as such. The gross minimum wage for 2020 is TL 2,943.00.

The **short-time work allowance is paid** for the unworked periods **to the employee himself on the fifth day of each month on a monthly basis** in a way to complement the weekly working hours applicable at the workplace. Payments are made through **PTT Bank**. The time interval during which the short-time work will be performed during the daily, weekly or monthly working period is determined by the employer considering the traditions of the workplace and the nature of the work.

In case of short-time work at the workplace due to compelling reasons, **payments start after the one-week period** set forth in paragraph (III) titled "Compelling reasons" of Article 24 titled "Worker's right to immediate termination for good cause" in the Labor Law No. 4857 as well as in Article 40 thereof titled "Half wage". **During this one-week period, obligations for wages and premiums rest with the employer.**

Sincerely,

**DENGE İSTANBUL YEMİNLİ
MALİ MÜŞAVİRLİK A.Ş.**

(*) The remarks in our circular are for informational purposes only. We recommend that the opinion and support of a qualified counsellor be received before establishing final transactions on the questionable matters. Our company shall not be held responsible for any damages to be incurred as a result of transactions to be made solely on the basis of the statements in our circulars.

(**) For opinions, criticisms and questions about our circulars, you can contact our specialists the contact information of whom is provided below.

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