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# Changes to minimum wage, severance payments and administrative fines

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At the beginning of each year, the minimum wage, severance payments and administrative fines prescribed by the Labour Act are revised. This article provides an overview of the 2023 changes, which came into effect on 1 January 2023.

### Minimum wage

In 2022 the monthly minimum wage rate was gross 5,004 Turkish lire, which was increased to gross 6,471 Turkish lire as of 1 July 2022. As of 1 January 2023, this has increased to gross 10,008 Turkish lire.

The minimum wage applies to all employees, regardless of age, industry and experience. The only exception concerns employees who work in underground coal and lignite mines, where the minimum wage must equal at least twice the regular rate.

### Severance payments

Subject to several conditions, employees are entitled to a severance payment of one month's salary for each year of service if they are dismissed. The government has determined a ceiling for such payments on a six-month basis. From 1 January 2023 to 30 June 2023, the maximum severance payment has increased from 15,371.40 Turkish lire to 19,982.83 Turkish lire. The next adjustment to the maximum severance payment will be made on 1 July 2023.

### 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; and
- follow collective redundancy procedures.

Administrative fines are also revised once a year. Compared with 2022, the rate of administrative fines in 2023 has increased by 122.93%.

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