

Republic of Turkey
Social Security Institution Presidency (SGK)
General Directorate of Insurance Premiums

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Subject: Earthquake Assistance in Law No. 7440

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1- General Information

In Article 10, the twenty-first paragraph (a) of the Law No. 7440, which was published in the Official Gazette numbered 32130 on March 12, 2023, and which came into force, it is stated that:

"21) In the places where force majeure was declared under Article 15 of Law No. 213 by the Ministry of Treasury and Finance due to the earthquakes that occurred in Kahramanmaraş Province on 6/2/2023,

a) Non-cash aid, which is given in addition to existing payments such as salary, premium, bonus by employers to employees affected by the earthquake, themselves, their spouse, child or parent, and cash aid not exceeding a total amount of 50,000 Turkish Lira according to Law No. 5510, shall not be included in the taxable income subject to premium..."

2- Principles and Procedures Regarding the Exemption of Earthquake Assistance from Prime Income in Law No. 7440

In order for cash aid given under the 21st paragraph (a) of the 10th article of the Law No. 7440 to be exempt from the prime income,

- a) It should be made between 06/02/2023 and 31/07/2023 (inclusive),
- b) The insured, their spouse, child or parent should have been affected by the earthquake,
- c) The total amount of cash aid paid between 06/02/2023 and 31/07/2023 should not exceed 50,000 Turkish Lira,
- d) It should be paid in addition to the current prime income of the insured.

All of the above conditions must be met.

2.1. Periods in Which Earthquake Assistance is Exempt from Prime Income:

In order for the earthquake assistance paid by employers to the insured to be exempt from prime income, payments must be made between 06/02/2023 and 31/07/2023.

2.2. The Insured Person, Their Spouse, Child(ren), or Parents Being Affected by the Earthquake

In order for the earthquake aid provided by the employers to the insured person to be exempt from the prime-based earnings, the insured person, their spouse, child, or parents must have been affected by the earthquake. Accordingly, the insured person's self, spouse, child(ren), or parents;

- Those living in Adana, Adıyaman, Diyarbakır, Elazığ, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Şanlıurfa provinces, and Gürün District of Sivas Province as of 06/02/2023,
- Those who are temporarily present in these areas for any reason, although they do not reside in Adana, Adıyaman, Diyarbakır, Elazığ, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Şanlıurfa provinces and Gürün District of Sivas Province,
- Those who lost their lives, were injured, or received medical treatment due to the earthquake,
- Those who suffered damage to their property due to the earthquake,
- Those who moved from Adana, Adıyaman, Diyarbakır, Elazığ, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Şanlıurfa provinces and Gürün District of Sivas Province to other places due to the earthquake, will be considered as affected by the earthquake.

Even if the self, spouse, child(ren), or parents of the insured person do not reside in earthquake zones, cash aid provided to the insured person will be evaluated within the exemption scope if these people are affected by the earthquake.

However, if it is determined that the self, spouse, child(ren), or parents of the insured person were affected by the earthquake although their residence is not in these areas, it is necessary to prove it with transportation records, hospital records, damage assessment reports, and similar documents, and to keep these documents as an attachment to the payroll.

2.3. The Cash Aid Amount Not Exceeding 50,000 Turkish Liras in Total

The exemption amount from the earnings dependent on social security contributions will be determined by looking at the total cash payments made by the employers to the insured person between 06/02/2023 and 31/07/2023.

Example 1: In the earthquake that occurred on 06/02/2023, the insured person (A) whose father died was provided with cash aid by their employer as follows:

- 20,000 TL in February 2023,
- 20,000 TL in March 2023,
- 20,000 TL in April 2023,
- 20,000 TL in May 2023,

If cash aid is provided, the aid provided for February and March 2023 will be within the exemption scope, but since the total cash aid amount will reach 60,000 TL with the aid provided in April 2023, 10,000 TL (Total aid amount - Exemption amount of 50,000 TL) will be included in the earnings dependent on social security contributions (basic earning) for April 2023.

In addition, the full amount of 20,000 TL cash aid provided in May 2023 will be included in the earnings dependent on social security contributions for May 2023.

In accordance with Law No. 5510, aid-made-in-kind (goods) is exempt from the earnings dependent on social security contributions, thus; in accordance with the 21st subparagraph of Article 10 of Law No. 7440, aid-made-in-kind within the scope of subparagraph (a) will be exempt from the earnings dependent on social security contributions in accordance with the first paragraph of Article 80 (b) of Law No. 5510. Therefore, aid made in kind that is provided in addition to the existing earnings dependent on social security contributions by employers will not be included in the basic earning.

Example 2: If the employer (A) purchases household goods worth 60,000 TL for the insured (B) who is affected by an earthquake, the aid-made-in-kind will not be included in the basic earning.

Example 3: If the employer purchases household goods worth 60,000 TL for the insured, and gives cash aid of 60,000 TL, 10,000 TL will be included in the basic earning (the exemption amount is 50,000 TL).

2.4. Cash Aid Provided in Addition to the Insured's Existing Earnings Dependent on Social Security Contributions

Cash aid payments made to the insured must be provided in addition to the insured's existing basic earnings; it is not possible to benefit from this exemption without an increase in the existing basic earnings.

Example 4: The employer (A) operating in Adiyaman provided cash aid of 30,000 TL to each of the insured who were affected by the earthquake working in his/her workplace in this province on 15/02/2023 in addition to the current basic earnings of each employee.

The cash aid of 30,000 TL provided to each insured person working for Employer (A) will not be included in the basic earnings of February 2023.

Example 5: The employer (B) operating in Izmir provided cash aid of 20,000 TL to each of the insured who were working in his/her workplace in Hatay on 20/03/2023 in addition to the current basic earnings of each.

The cash aid of 20,000 TL provided to each insured person working in Hatay's workplace of Employer (B) will not be included in the basic earnings of March 2023.

Example 6: The insured (E) working for Employer (D) operating in Istanbul, whose parents living in Malatya were affected by the earthquake.

Employer (D) provided cash aid of 45,000 TL to the insured (E) whose parents were affected by the earthquake, and also purchased household goods worth 100,000 TL for the insured (E)'s parents who moved to Istanbul and delivered it to them.

The entire cash aid of 45,000 TL provided in addition to the insured's existing basic earnings and the aid made in kind worth 100,000 TL will not be included in the basic earnings. In addition, payments related to aid made in kind and cash aid provided in addition to the insured's existing basic earnings will be shown on the payroll, but these payments will not be included in the basic earnings as they are within the scope of the exemption.

Employers' notifications will be taken into account within the scope of the application that came into effect with subparagraph (a) of the twenty-first paragraph of Article 10 of Law No. 7440. However, if it is determined that a false notification has been made, the amounts that have not been included in the basic earnings under the exemption before will be included in the basic earnings of the employers in accordance with the provisions of Article 89 of Law No. 5510.