

Termination of Employment Contract

According to the relevant provisions of the Labor Law no. 4857, employers and employees are required to give specified notification periods prior to the termination of an employment contract, as shown in the following table.

Required minimum notification periods for employers and employees	
Duration of service	Duration of notification period
0 - 6 months	2 weeks
6 - 18 months	4 weeks
18 - 36 months	6 weeks
more than 36 months	8 weeks

There are two types of termination for an employment contract:

1) Termination with notification

Both the employee and the employer may terminate an employment contract concluded for an indefinite period based on the notification periods indicated in the above table. The party who does not abide by the rule to serve notice shall pay compensation covering the wages which correspond to the notification period in order to terminate the employment contract.

2) Termination of an employment contract before the end of the contract period or before the notification periods stated above, based on justifiable and rightful reasons stated in the Labor Law

Both the employer and employee have the right to terminate an employment contract before its expiry or without having to comply with the prescribed notification periods, in the following cases:

- Reasons of health
- Cases arising from immoral, dishonorable or malicious conduct or other similar behavior
- Force majeure

Severance Pay

An employee who quits satisfying the conditions indicated in the Labor Law or whose employment contract is terminated by the employer must be compensated with a severance pay to be calculated based on the employees' seniority at the work place. This indemnity pay is calculated on the basis of the last thirty days' gross wage per year of the employment contract from the commencement date of employment. The thirty days' payment per year of employment may not exceed the upper limit determined semi-annually. However, severance pay may be agreed to be paid at an amount higher than the limit indicated above in case there is a provision in the employment contract.

The reasons on the basis of which employees are entitled to receive severance pay are as follows:

- Leaving the workplace due to the compulsory military service (for males)
- Retirement (in order to receive old age, retirement pension or disability allowance from the relevant insurance institutions)
- Resignation of the employee after completing 3,600 premium days and 15 years of insurance period (in case of fulfillment of retirement conditions except the age limit and resignation with the submission of the document from the Social Security Institution indicating the fulfillment of retirement conditions, excluding the age limit, to the employer)
- Voluntary termination by female employees within one year following the date of marriage
- Death of the employee
- Termination of the employment contract not based on a valid reason listed in the Labor Law by the employer and termination of the employment contract by the employer with valid a reason

Job Security

According to Labor Law, in case the employment contract is terminated by the employer, it is required that the underlying reason of this termination be notified to the employee, and the reason of termination be valid. The employee has the right to file a lawsuit in Labor Court within one month from the date of notification of termination. In the lawsuit to be filed, liability of proving that termination is based on a valid reason belongs to the employer, and if the employee claims that termination is due to another reason, he/she is obligated to prove this claim. In case the court decides that the termination is invalid and the employee is to be reemployed, and if the employee does not apply to the employer within ten work days from the date of notification of the decision to him/her, termination executed by the employer is deemed as a valid termination, and employer is only held responsible for the legal consequences.