



# IGP Country Profile

## **Türkiye**





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# Customary employee benefits

## Death benefits

Group life insurance plans cover death by natural causes, accidental death, disability by illness or accident, and dread disease.

Accidental death and disability cover is usually equal to twice the amount of the benefit for normal death or disability by illness.

The benefit for dread disease is equal to half of the death benefit.

The group life benefit is typically a multiple of either 1- or 2-times annual salary or based on certain amounts specified by the employer.

- Death by illness
- Death by accident
- Disability by illness
- Disability by accident
- Dread disease
- Death on a public vehicle

The employer normally pays 100% of the premium.

Group life business is renewed annually, but it can be adjusted during the year in accordance with the inflation rate. All employees between the ages of 18 to 65 are eligible for cover.

All calculations will be based on an individual's age instead of a group's average.

## Disability benefits

### Total and Permanent Disability

In the event of sickness and/or accident, indemnities are paid up to 100% of the benefit limits specified by the policy.

### Partial Permanent Disability coverage

If an insured's partial permanent disability is the result of an accident and/or sickness, payment is made in accordance with the percentage listed for disability indemnities as stated in the Individual Accident Insurance General Provisions Scale, up to the limits specified in the policy; for example:

- Loss of one leg: 40% of total benefit
- Loss of right thumb: 20% of total benefit



## Dread Disease

Dread disease coverage is equal to half of the death benefit. Dread disease can be offered as an option under group life insurance plans.

The coverage includes the following 20 illnesses:

- Cancer
- Stroke
- Heart Attack
- Coronary Artery By-pass Surgery
- Kidney Failure
- Major Organ Transplant
- Multiple Sclerosis
- Paralysis
- Loss of Limbs
- Blindness
- Loss of Hearing
- Heart Valve Surgery
- Aorta Graft Surgery
- Balloon – Angioplasty
- Severe Burns
- Coma
- Benign Brain Tumor
- Total and Permanent Disability determined by Functional Assessment Tests (FATs)
- HIV from Blood Transfusion
- Occupationally Acquired HIV

## Medical benefits

### Group medical benefits

At present, the government provides basic health insurance service via the Social Security System. However, there can be long wait times for treatment due to a shortage of hospitals and healthcare personnel. Thus, private health insurance is used to fill the gap in the insurance sector.

As health insurance continues to become a major issue in Türkiye, people are becoming more conscious of the convenience provided by health insurance, and the number of plans is growing rapidly. It is now recognized that it is very important and vital that the employees, who contribute to the success of any organization, are provided with adequate health insurance benefits.

### Health insurance coverage

According to the list of employees supplied by the employer and health declaration forms that the former has filled out, all employees that are between the ages of 18 and 65 will be accepted in the insurance plan on the beginning day of the insurance without having a medical examination.

In the event of an accident or sickness suffered by the insured, the insurance company will pay the expenses for medical examinations, diagnosis, and treatment.

Benefit options under a medical plan can include:

- in-patient treatment
- outpatient treatment covering medical examinations
- prescription drugs
- diagnostic procedures and minor treatment, (unlimited or within a total annual limit option for all).

Different deductibles can be applied either annually or on a prescription, per invoice, or per case basis.

### Optional Benefits

- Dental treatment
- Additional medical coverages
- Ambulance without network (This benefit covers all ambulance transport expenditures outside network with the general exception of air ambulance.)
- Eyeglasses and lenses

## Complementary health insurance coverage

Complementary Health Insurance (TSS) is a type of insurance that covers the additional expenses for health services other than the treatment covered by the Social Security Institution (SSI). This insurance covers the additional fees for services within the private healthcare institutions contracted with the complementary insurance scheme so that the insured would not have out-of-pocket costs.

Conditions (may vary by provider):

- Minimum 10 insured employees are required.
- The only difference is that outpatient treatment is limited 5 times or 8 times annually.
- Doctor examination (and the other related treatments such as drugs, laboratory, advanced diagnosis, etc.) is assessed per visit, and any visit is decreased from the outpatient treatment limits above.
- Coverages are valid only in institutions contracted with Social Security System.

## Karma (hybrid) health insurance coverage

This product combines the Comprehensive Health Insurance and the Complementary Health Insurance.

The (Karma) product allows utilization of both comprehensive and complementary insurance without any change in plan limits or co-payment. Coverages are valid in Hybrid Network Hospitals (Network includes contracted institutions with Social Security System (SSS), as well as Allianz Sigorta contracted hospitals).

No co-payment and no exclusion in Hybrid Network Hospitals.

In the event of an accident or illness, the insurance company covers the expenses for medical examinations, diagnosis, and treatment.

Apart from this, there are additional covers (such as dental cover and eyeglasses cover).

In case the insured's Social Security is not available or is not active, the treatments applied at the GHI contracted institutions will be paid according to the Private Health Insurance ratio within the coverage of the 'a posteriori payment'.

The Insured can receive 100% of these procedures for the outpatient treatments at contracted institutions and will have to pay only 15 TL as an obligatory contribution for these procedures.

## Retirement benefits

Group pension plans are typically designed on a defined contribution basis.

Contributions are normally made by the employer and employees at certain pre-agreed percentages. Group pension plans are almost exclusively written as defined contribution plans allowing certain inflationary adjustments each year, and vesting rules are determined by the employer.

### Eligibility

All employees are eligible for a defined contribution group pension plan.

### Benefits

At retirement, the total bid value (cash value) of the units allocated to the employee's account is used to provide benefits in accordance with the scheme rules. Employees can choose either a lump sum (Accumulated Capital), income withdrawal and annuity (single life, joined life, etc.).

Annuities can be purchased at the retirement date of the employee only from a company that has an operating license in life insurance.

Employees should contribute to the scheme for at least ten years to obtain the pension option, although 15 - 25 years of premium contributions is suggested. In a corporate pension plan, the minimum retirement age is 56, as it is legally required in the new Pension Law.

In the defined contribution-based group pension plans, only the accumulated capital would be paid to beneficiaries since there will be no risk element.

# Trends

Digitization, artificial intelligence, and automation will continue to increase the need for a workforce with more advanced technical skills as new jobs are created that require expertise in these fields. Competitive salaries and benefits will be important for talent retention and to keep pace with inflation.

# Typical employee benefits plans and benchmarking

## Group pension plan

Eligibility:	All permanent full-time staff	
Number of Employees/ Participants:	1,281	
Employer contributions:	2% - 5% of monthly gross salary depending on the length of service	
Employee contributions:	Employee should match the employer's contribution	
	<u>Length of Service</u>	<u>Employer contribution</u>
	0 - 36 months	2% of monthly gross salary
	37 - 84 months	4% of monthly gross salary
	> 84 months	5% of monthly gross salary
Currency:	TRY	
Charging structure:	Charge on contribution: 0%	
Entrance fee	Nil	

Special funding options can be offered for groups based on the fund size of the group.

- Bonuses: Discount in Contracted Health Institutions
- Medical Assistance
- Road Ambulance
- Waiver of Contribution Benefit

## Group personal pension plan

Eligibility:	Only managerial staff
Number of Employees/ Participants:	4,200
Employer contributions:	3% of annual gross salary
Employee contributions:	2% of annual gross salary
Currency:	TRY
Charging structure:	Charge on contribution: 0%
Entrance fee	Nil

## Group medical benefits plan

### Sample 1

Type of benefits	Type of Limit	Limit (TRY)	Reimbursement (co-insurance)
In-Patient Treatments (Hospitalization)	annual	unlimited	100%
Hospital Services (Abroad)	annual	USD 15,000	80%
Out-Patient Treatments, Doctor's Fee, Prescribed Drugs, Diagnostic Procedures, Therapeutic Services, Minor Treatments	annual	USD 3,000	80%
Physical Treatment	annual	USD 1,000	80%
Family Planning	annual	USD 2,500	100%

### Sample 2

Type of benefits	Type of Limit	Limit (TRY)	Reimbursement (co-insurance)
In-Patient Treatments(Hospitalization)	annual	unlimited	100%
Hospital Services (Abroad)	annual	USD 15,000	80%
Medical Practitioner & Specialist	per visit	USD 150	80%
Prescribed Drugs	per prescription	USD 150	80%
Laboratory expense	per case	USD 300	80%
X-ray	per case	USD 300	80%
Tomography	per case	USD 600	80%
Angiography	per case	USD 600	80%
MR	per case	USD 900	80%
Scintigraphy	per case	USD 900	80%
Endoscope Treatment	per case	USD 900	80%
Physical Treatment	annual	USD 750	80%
Family Planning	annual	USD 2,500	100%



## Group life plan

### Sample 1

Eligibility:	Full-time staff
Number of Employees/ Insured:	152
Currency:	TRY
Pool:	IGP
Free Cover Limit:	TRY 18.000,000
Local dividend:	At the end of the policy period, if the ratio of total benefit / total premium is under 50%, a local dividend of 20% of the premium will be paid.

### Sample 2

Benefits	Benefit limit
Death Benefit	1 Capital*
Accidental Death Benefit	2 Capital
Accidental Disability Benefit	1 Capital
Disability Due to Illness Benefit	1 Capital

\* 1 capital = 1x annual gross salary

### How are benefits determined?

- Multiples of annual salaries (annual salary x1, x2, x3, or x4)
- Fixed amount (e.g., 100,000 TL for death)
- Benefit structure may be determined by the criteria specified by the employer

# Useful links

## **Demographic information and macro-economic indicators**

[CIA World Factbook](#) (please select the country to review)

[World Bank Group](#) (please select the country to review)

## **Türkiye Ministry of Labor and Social Security**

[www.csgeb.gov.tr](http://www.csgeb.gov.tr)

## **Social security**

[www.sgk.gov.tr](http://www.sgk.gov.tr)

## **More information on Allianz Yasam ve Emeklilik A.S.**

**Your Local Link to IGP for group life coverage in Türkiye:**

[Go to partner page on www.igpinfo.com](http://www.igpinfo.com)

## **More information on Allianz Sigorta A.S.**

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07/02/2025 - WCAG AA