

## Indonesia

Exchange rate: US\$1.00 = 13,100 rupiah.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1977 (government regulation).

**Current laws:** 1992 (employees' social security); 2004 (social security system), being implemented in stages; 2011 (social security agency), implemented in 2014; 2015 (pension program regulations); 2015 (provident fund regulations); and 2015 (life insurance regulations).

**Type of program:** Provident fund, social insurance, and mandatory life insurance system.

Note: In 2015, a new mandatory defined benefit pension system administered by the Social Security Administering Body on Employment (BJPS Ketenagakerjaan) was implemented that provides old-age, disability, and survivors benefits.

#### Coverage

**Provident fund and mandatory life insurance:** Employed persons working in the formal and informal sectors, including foreign workers who have worked at least six months in Indonesia.

Voluntary coverage for self-employed persons.

Special systems for public-sector employees and military and police personnel.

**Social insurance:** Public- and private-sector employees.

#### Source of Funds

##### Insured person

**Provident fund:** 2% of gross monthly earnings.

**Social insurance:** 1% of gross monthly earnings.

The maximum monthly earnings used to calculate contributions are 7,300,000 rupiah.

**Mandatory life insurance:** None.

##### Self-employed person

**Provident fund:** At least 2% of gross monthly declared earnings.

**Social insurance:** Information is not available.

**Mandatory life insurance:** 1% of gross monthly declared earnings.

##### Employer

**Provident fund:** 3.7% of gross monthly payroll.

**Social insurance:** 2% of gross monthly payroll.

The maximum monthly earnings used to calculate contributions are 7,300,000 rupiah.

**Mandatory life insurance:** 0.3% of gross monthly payroll.

##### Government

**Provident fund:** None.

**Social insurance:** None.

**Mandatory life insurance:** None.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Age 56 (gradually rising by one year every three years until reaching age 65 in 2043); at any age if emigrating permanently, if starting work as a public-sector employee or beginning military service, or if unemployed for at least six months after at least five years of fund membership.

Employment may continue.

The benefit may be deferred. There is no maximum age for deferral.

**Old-age pension (social insurance):** Age 56 (gradually rising by one year every three years until reaching age 65 in 2043) with at least 180 months of contributions.

A lump sum is paid with less than 180 months of contributions.

**Disability benefit (provident fund):** Younger than age 56 (gradually rising by one year every three years until reaching age 65 in 2043) with a total permanent incapacity for work as a result of a work injury. A medical doctor must certify the incapacity.

**Disability pension (social insurance):** Younger than age 56 (gradually rising by one year every three years until reaching age 65 in 2043), assessed with a total and permanent disability, and has at least one month of contributions. Must have a contribution payment compliance (density) rate of at least 80%.

A lump sum is paid if the insured has less than one month of contributions or a contribution payment compliance (density) rate of less than 80%.

**Survivor benefit (provident fund):** The deceased was younger than age 56 (gradually rising by one year every three years until reaching age 65 in 2043) at the time of death or age 56 or older and receiving a periodic old-age or disability benefit (provident fund) at the time of death.

Eligible survivors include a spouse or, if there is no spouse, dependent children.

**Survivor pension (social insurance):** The deceased received or was entitled to receive a social insurance

old-age or disability pension and has at least one year of contributions. Must have a contribution payment compliance (density) rate of at least 80%.

A lump sum is paid if the insured had less than one month of contributions or a contribution payment compliance (density) rate of less than 80%.

Eligible survivors include a widow(er), children, and parents.

**Death grant and funeral grant (mandatory life insurance):** Paid when the insured dies.

Eligible survivors (in order of priority) include a spouse, children, parents, grandchildren, grandparents, siblings, or parents-in-law. If there are no eligible survivors, the benefit is paid to a person named by the deceased; if there is no named survivor, only the funeral benefit is paid to the person who pays for the funeral.

### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus accrued interest is paid. Members with more than 50 million rupiah in their provident fund account may opt for a periodic payment.

**Old-age pension (social insurance):** 1% of the insured's average adjusted annual earnings divided by 12, multiplied by the number of years of contributions is paid.

The minimum monthly pension is 300,000 rupiah (2015).

The maximum monthly pension is 3,600,000 rupiah (2015).

If the insured has less than 180 months of contributions, a lump sum of the insured's contributions plus income derived from investments is paid.

### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum of total employee and employer contributions plus accrued interest is paid. Members with more than 50 million rupiah in their provident fund account may opt for a periodic payment.

**Disability pension (social insurance):** 1% of the insured's average adjusted annual earnings divided by 12, multiplied by the number of years of contributions is paid.

The minimum monthly pension is 300,000 rupiah (2015).

The maximum monthly pension is 3,600,000 rupiah (2015).

If the insured has less than one month of contributions or a contribution compliance (density) rate of less than 80%, a lump sum of the insured's contributions plus income derived from investments is paid.

### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus accrued interest, minus any prior payments to the deceased,

is paid. Eligible survivors of deceased members who had more than 50 million rupiah in their provident fund account may opt for a periodic payment.

**Spouse's pension (social insurance):** 50% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er).

If the deceased had less than one month of contributions or a contribution compliance (density) rate of less than 80%, a lump sum of the deceased's contributions plus income derived from investments is paid.

**Orphan's pension (social insurance):** 50% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to a full orphan; 50% of the social insurance spouse's pension for a half orphan.

If the deceased had less than one month of contributions or a contribution compliance (density) rate of less than 80%, a lump sum of the deceased's contributions plus income derived from investments is paid.

**Parent's pension (social insurance):** If there is no eligible spouse or child, 20% of the social insurance old-age or disability pension the deceased received or was entitled to receive is paid to a parent.

If the deceased had less than one month of contributions or a contribution compliance (density) rate of less than 80%, a lump sum of the deceased's contributions plus income derived from investments is paid.

Benefit adjustment: Social insurance benefits are adjusted every two years.

**Death grant and funeral grant (mandatory life insurance)**

**Death grant:** A lump sum of 14,200,000 rupiah is paid plus 200,000 rupiah a month for up to 24 months.

**Funeral grant:** A lump sum of 2,000,000 rupiah is paid.

### Administrative Organization

National Social Security Board provides general supervision.

Social Security Administering Body on Employment (BPJS Ketenagakerjaan) (<http://www.bpjsketenagakerjaan.go.id/>) collects contributions, administers benefits, and manages the investment funds.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1957.

**Current laws:** 1992 (employees' social security); 2003 (labor law); 2004 (social security system), being implemented in stages; and 2011 (social security agency), implemented in 2014.

**Type of program:** Employer-liability (cash benefits) and social insurance (medical benefits) system.

Note: In January 2014, the Social Security Health Agency (BPJS Kesehatan) replaced the Employees' Social Security System (Jamsostek).

### Coverage

**Cash benefits (employer liability):** Employed persons.

Exclusions: Self-employed persons.

**Medical benefits (social insurance):** Employed persons.

Exclusions: Employees with labor contracts of less than three months. Employees covered by company-provided health insurance plans that are more comprehensive than the benefits provided by BPJS Kesehatan are exempt from BPJS Kesehatan until 2019.

Voluntary coverage for self-employed persons.

Special system for civil servants, civil service pensioners, military and police pensioners, veterans, and national independence pioneers.

### Source of Funds

#### Insured person

**Cash benefits (employer liability):** None.

**Medical benefits (social insurance):** 1.0% of monthly earnings. An additional 1% for each person for family members and dependents.

The maximum monthly earnings used to calculate contributions are 4,700,000 rupiah.

#### Self-employed person

**Cash benefits (employer liability):** Not applicable.

**Medical benefits (social insurance):** 25,000 to 59,500 rupiah a month.

#### Employer

**Cash benefits (employer liability):** The total cost.

**Medical benefits (social insurance):** 4% of monthly payroll.

The maximum monthly earnings used to calculate contributions are 4,700,000 rupiah.

#### Government

**Cash benefits (employer liability):** None.

**Medical benefits (social insurance):** None.

### Qualifying Conditions

**Cash sickness, maternity, and paternity benefits (employer liability):** There is no minimum qualifying period.

**Medical benefits (social insurance):** There is no minimum qualifying period.

### Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 100% of the employee's normal earnings is paid for the first four months; 75% for the fifth through the eighth month; 50% for the ninth through the twelfth month; and 25% thereafter.

**Maternity benefit (employer liability):** 100% of the employee's normal earnings is paid for three months, beginning 1.5 months before childbirth; for a total of 1.5 months in case of abortion.

**Paternity benefit (employer liability):** 100% of the employee's normal earnings is paid for two days.

### Workers' Medical Benefits

Medical benefits include primary and specialist outpatient care; hospitalization; medicine; and emergency, dental, and eye care. Eyeglasses, hearing aids, and prostheses. Insured persons must register with a primary care provider who is under contract with BPJS. A doctor's referral is required for access to specialist and inpatient care (except for emergencies).

Services at community health centers are set at 3,000 to 6,000 rupiah; 100,000 rupiah for inpatients. Clinics and hospitals are required to pay any extra medical costs themselves. There is a standard cost for ophthalmic services, orthopaedic surgery, neurosurgery, outpatient treatment.

The cost of maternity care for up to three children, up to 500,000 rupiah each, is paid.

Inpatient care is provided for up to 60 days a year.

### Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Eligible dependents include the dependent spouse and up to three dependent children (unmarried and unemployed) younger than age 21.

### Administrative Organization

**Cash benefits:** Ministry of Manpower and Transmigration provides general supervision.

**Medical benefits:** National Social Security Board provides general supervision.

Social Security Health Agency (BPJS Kesehatan) (<http://bpjs-kesehatan.go.id/>) collects contributions, administers benefits, and manages the investment funds.

### Work Injury

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#### Regulatory Framework

**First laws:** 1951 (workmen's compensation) and 1992 (employees' social security).

**Current laws:** 2004 (national social security system), being implemented in stages; 2011 (social security agency), implemented in 2014; and 2015 (work injury).

**Type of program:** Social insurance system.

Note: In January 2014, the Social Security Administering Body on Employment (BPJS Ketenagakerjaan) replaced the Employees' Social Security System (Jamsostek).

### Coverage

Employed and self-employed persons, including foreign workers who have worked at least six months in Indonesia.

Special system for public-sector employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** 1% of monthly declared earnings.

**Employer:** The total cost; contributions vary according to five classes of risk: 0.24% of monthly payroll (class I); 0.54% (class II); 0.89% (class III); 1.27% (class IV); or 1.74% (class V).

**Government:** None.

### Qualifying Conditions

Must be assessed with a partial or total disability before age 56 (gradually rising by one year every year until reaching age 65 in 2043). There is no minimum qualifying period.

### Temporary Disability Benefits

100% of the insured's earnings in the month before the disability began is paid for the first four months; 75% for the fifth to the eighth month; and 50% thereafter until rehabilitation or certification of permanent disability.

A medical doctor assesses the degree of disability based on a health examination.

### Permanent Disability Benefits

A lump sum of 70% of 80 months of the insured's earnings in the month before the disability began is paid, plus 200,000 rupiah a month for 24 months.

Partial disability: A lump sum is paid of 80 months of the insured's earnings in the month before the disability began multiplied by the assessed degree of disability according to a schedule in law.

The degree of disability is based on an examination by a medical doctor.

### Workers' Medical Benefits

Medical benefits include all necessary medical treatment, hospital care, dental and eye care, rehabilitation and prostheses.

From 1,000,000 rupiah up to 2,500,000 rupiah is paid for transportation costs from the place of the accident to the hospital depending on the method of transport used.

### Survivor Benefits

**Survivor benefit:** A lump sum of 60% of 80 months of the deceased's earnings in the month before death is paid, plus 200,000 rupiah a month for 24 months.

**Death grant:** A lump sum of 14,200,000 rupiah is paid plus 200,000 rupiah a month for up to 24 months.

**Funeral grant:** A lump sum of 3,000,000 rupiah is paid.

Eligible survivors (in order of priority) include a spouse, children, parents, grandchildren, grandparents, siblings, and parents-in-law. If there are no eligible survivors, the benefits are paid to a person named by the deceased; if there is no named survivor, only the funeral grant is paid to the person who pays for the funeral.

### Administrative Organization

National Social Security Board provides general supervision.

Social Security Administering Body on Employment (BPJS Ketenagakerjaan) (<http://www.bpjsketenagakerjaan.go.id/>) collects contributions, administers benefits, and manages the investment funds.

### Unemployment

#### Regulatory Framework

No statutory benefits are provided.

Labor law requires employers to provide severance pay in cases of dismissal due to a change in company status or ownership, company closure due to financial loss or bankruptcy, prolonged illness or disability (at least 12 months) or reaching the mandatory retirement age. The amount varies according to the number of years of service: one month's pay for less than a year of employment; two months' pay with at least one but less than two years; three months' pay with at least two years but less than three years; four months' pay with at least three years but less than four years; five months' pay with at least four years but less than five years; six months' pay with at least five years but less than six years; seven months' pay with at least six years but less than seven years; eight months' pay with at least seven years but less than eight years; and nine months' pay with at least eight years of employment.