

Indonesia

Exchange rate: US\$1.00 = 14,350 rupiah.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1977 (government regulation) and 1992 (employees' social security);

Current laws: 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: Social insurance, provident fund, and mandatory life insurance system.

Coverage

Social insurance: Public- and private-sector employees.

Exclusions: Self-employed persons.

Provident fund: Employed persons, 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.

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

Source of Funds

Insured person

Social insurance: 1% of gross monthly covered earnings.

The maximum monthly earnings used to calculate contributions are 8,094,000 rupiah.

Provident fund: 2% of gross monthly earnings.

Mandatory life insurance: None.

Self-employed person

Social insurance: Not applicable.

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

Mandatory life insurance: Pays a monthly flat-rate premium of 6,800 rupiah.

Employer

Social insurance: 2% of gross monthly covered payroll.

The maximum monthly earnings used to calculate contributions are 8,094,000 rupiah.

Provident fund: 3.7% of gross monthly payroll.

Mandatory life insurance: 0.3% of gross monthly payroll.

Government

Social insurance: None; contributes as an employer.

Provident fund: None.

Mandatory life insurance: None; contributes as an employer.

Qualifying Conditions

Old-age pension (Manfaat pensiun hari tua, 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.

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

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, if beginning military service, or if unemployed for at least six months after at least five years of fund membership.

Employment may continue.

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

Disability pension (Manfaat pensiun cacat, social insurance): Must be younger than the normal retirement age, be assessed with a total and permanent disability, have at least one month of contributions before the disability began, and have a contribution payment compliance rate of at least 80%.

The contribution payment compliance rate is the insured's years of contributions divided by his or her years of membership.

Disability settlement (social insurance): Must be younger than the normal retirement age, be assessed with a total and permanent disability, and have less than one month of contributions or a contribution payment compliance rate of less than 80%.

The contribution payment compliance rate is the insured's years of contributions divided by his or her years of membership.

Disability benefit (provident fund): Must be younger than the normal retirement age and assessed with a total permanent incapacity for work as a result of a work injury. A medical doctor must certify the incapacity.

Survivor pension (social insurance): The deceased received or was entitled to receive a social insurance old-age or disability pension, had at least one year of contributions, and had a contribution payment compliance rate of at least 80%.

The contribution payment compliance rate is the deceased's years of contributions divided by his or her years of membership.

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

The widow(er)'s pension ceases upon remarriage.

Survivor settlement (social insurance): The deceased had less than one year of contributions or a contribution payment compliance rate of less than 80%.

The contribution payment compliance rate is the deceased's years of contributions divided by his or her years of membership.

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

Survivor benefit (provident fund): Paid to eligible survivors when a fund member younger than age 56 (gradually rising by one year every three years until reaching age 65 in 2043) or a recipient of a periodic provident fund old-age or disability benefit dies.

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

Death grant and funeral grant (mandatory life insurance): Paid to eligible survivors 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 pension (Manfaat pensiun hari tua, social insurance): 1% of the insured's average adjusted annual earnings divided by 12 and multiplied by the number of years of contributions is paid.

The minimum monthly old-age pension is 331,000 rupiah.

The maximum monthly old-age pension is 3,971,400 rupiah.

Benefit adjustment: Benefits are adjusted every two years.

Old-age settlement (social insurance): A lump sum of the insured's social insurance contributions plus accrued interest is paid.

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 accounts may opt for a periodic payment.

Deferred benefit: Calculated in the same way as the old-age benefit.

Permanent Disability Benefits

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

The minimum monthly disability pension is 331,000 rupiah.

The maximum monthly disability pension is 3,971,400 rupiah.

Benefit adjustment: Benefits are adjusted every two years.

Disability settlement (social insurance): A lump sum of the insured's social insurance contributions plus accrued interest is paid.

Disability 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 accounts may opt for a periodic payment.

Survivor Benefits

Survivor pension (social insurance)

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

Orphan's pension (Manfaat pensiun anak): 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 spouse's pension for a half orphan.

Parent's pension (Manfaat pensiun orang tua): 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.

Benefit adjustment: Benefits are adjusted every two years.

Survivor settlement (social insurance): A lump sum of the deceased's social insurance contributions plus accrued interest is paid.

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. If there is more than 50 million rupiah in the

deceased's provident fund account, the survivor may opt for a periodic payment.

Death benefits (mandatory life insurance)

Death grant: A lump sum of 16,200,000 rupiah is paid plus 200,000 rupiah a month for up to 24 months.

Funeral grant (Biaya pemakaman): A lump sum of 3,000,000 rupiah is paid.

Administrative Organization

National Social Security Board (<http://djsn.go.id/>) provides general supervision.

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

Sickness and Maternity

Regulatory Framework

First laws: 1957 (labor) and 1992 (employees' social security).

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

Type of program: Social insurance (medical benefits), employer-liability (cash benefits), and social assistance (medical benefits) system.

Coverage

Social insurance (medical benefits): Public- and private-sector employees, self-employed persons, and foreign workers who have worked at least six months in Indonesia.

Employer liability (cash benefits): Employed persons.

Exclusions: Self-employed persons.

Special system for civil servants.

Social assistance (medical benefits): Needy residents of Indonesia.

Source of Funds

Insured person

Social insurance (medical benefits): 1.0% (private sector) or 2% (public sector) of monthly covered earnings; an additional 1% of monthly covered earnings for each family member and other covered dependents.

The maximum monthly earnings used to calculate contributions are 4,000,000 rupiah (2nd class) or 8,000,000 rupiah (1st class).

The insured may choose from two classes of hospital services with varying contribution rules: 1st class (provides

the most private and spacious hospital rooms), or 2nd class (provides less private and spacious hospital rooms).

Employer liability (cash benefits): None.

Social assistance (medical benefits): None.

Self-employed person

Social insurance (medical benefits): Pays a monthly flat-rate contribution of 25,500 rupiah (3rd class), 51,000 rupiah (2nd class), or 80,000 rupiah (1st class).

The self-employed person may choose from three classes of hospital services with varying contribution rules: 1st class (provides the most private and spacious hospital rooms), 2nd class (provides less private and spacious hospital rooms), or 3rd class (provides the least private and spacious hospital rooms).

Employer liability (cash benefits): Not applicable.

Social assistance (medical benefits): None.

Employer

Social insurance (medical benefits): 4% (private sector) or 3% (public sector) of monthly covered payroll.

The maximum monthly earnings used to calculate contributions are 4,000,000 rupiah (2nd class) or 8,000,000 rupiah (1st class).

The insured may choose from two classes of hospital services with varying contribution rules: 1st class (provides the most private and spacious hospital rooms), or 2nd class (provides less private and spacious hospital rooms).

Employer liability (cash benefits): The total cost.

Social assistance (medical benefits): None.

Government

Social insurance (medical benefits): None, contributes as an employer.

Employer liability (cash benefits): None.

Social assistance (medical benefits): The total cost.

Qualifying Conditions

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

Medical benefits (social insurance and social assistance): 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 of incapacity; 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; emergency, dental, and eye care; and 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.

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

Dependents' Medical Benefits

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

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

Administrative Organization

Ministry of Manpower (<http://kemnaker.go.id/>) provides general supervision for cash benefits.

National Social Security Board (<http://djsn.go.id/>) provides general supervision for medical benefits.

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

Work Injury

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.

Coverage

Private-sector employees, self-employed persons, and 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: Pays a contribution that varies depending on the class 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 work injury or occupational disease and be younger than the normal retirement age. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

Temporary disability benefit (Sementara tidak mampu bekerja [STMB]): 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

Permanent disability pension (Cacat total tetap): For a total disability, 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 (Cacat sebagian fungsi): For a partial disability, a lump sum 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 is paid.

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

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.

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.

Death grant: See Old Age, Disability, and Survivors.

Funeral grant (Biaya pemakaman): See Old Age, Disability, and Survivors.

Administrative Organization

National Social Security Board (<http://djsn.go.id/>) provides general supervision.

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

Unemployment

Regulatory Framework

No statutory benefits are provided.

Labor law (No. 13 of 25 March 2003) 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 depending on the number of years of service: one month of the employee's pay for less than a year of service; two months of pay with at least one but less than two years; three months of pay with at least two years but less than three years; four months of pay with at least three years but less than four years; five months of pay with at least four years but less than five years; six months of pay with at least five years but less than six years; seven months of pay with at least six years but less than seven years; eight months of pay with at least seven years but less than eight years; and nine months of pay with at least eight years of service.