

## REGIONAL TRIPARTITE CONSULTATIONS ON OLD-AGE INCOME SECURITY IN WEST JAVA AND CENTRAL JAVA

### Terms Of Reference

#### 1. Background

Old-age income security schemes has been one of the government's reform priorities. Existing schemes include Jaminan Pensiun (JP), Jaminan Hari Tua (JHT), social insurance for the armed forces and police (ASABRI), and saving and social insurance for civil servant (TASPEN), with total active participants of around 21 million or 15% of total labour force of 136 million people.<sup>1</sup>

Indonesian policymakers have been debating options for the establishment of a comprehensive old age income security system that promotes certainty, adequacy, coverage, and sustainability. Subjects of ongoing discussions include integration of JHT and severance pay into JP, obligation of civil servants, the police, and armed forces to participate in JP in addition to ASABRI and TASPEN, and establishment of a universal pension scheme.

The social protection programme of the ILO Country Office for Indonesia and Timor Leste has been supporting the government in this endeavor by providing inputs through studies and meetings. To facilitate discussions with the government institutions and social partners at district, provincial, and national levels, the social protection programme, in collaboration with Ministry of National Development and Planning, and Ministry of Manpower is organizing series of tripartite consultations.

#### 2. Objective

The consultations aim to:

- Share elderly's challenges in securing income in their old-age
- Share policy direction for old-age income security system reform
- Present applicable international standards and practices
- Present different reform options for old-age income security reform
- Facilitate dialogues among the tripartite constituents and experts on reform options to meet the objective of promoting certainty, adequacy, coverage, and sustainability of old age income security system
- Facilitate the issuance of a joint statement on old-age income security reform option

#### 3. Date and Venue

The consultations will be organized in Bandung and Solo on 12-14 June and 2-4 August 2023, respectively, covering the provinces of West Java, Banten, Central Java and Yogyakarta.

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<sup>1</sup> BPJS-TK Annual Report, 2020; Sakernas, 2018

#### 4. Expected Participants

This meeting is by invitation only. A maximum of 30 representatives of Manpower Offices, employers and trade union representatives of enterprises from selected districts, and academicians are expected to participate. Officials of Ministry of Manpower, and ILO Jakarta will participate as presenter and moderators. The consultation will be facilitated by ILO consultants.

#### 5. Agenda

Time	Agenda
<b>DAY 1</b>	
14.00-15.00	Participants registration and hotel check-in
16.00-16.15	<b>Opening remarks</b> <ul style="list-style-type: none"> <li>▪ ILO (5')</li> <li>▪ Ministry of Manpower (5')</li> <li>▪ Head of Provincial Manpower Office (Official Opening; 5')</li> </ul>
16.15-16.40	<b>The challenges of elderly's income security</b> Ms. Elda Luciana Pardede, Lecturer, University of Indonesia
16.40-17.00	<b>Policy direction of old-age income security system in Indonesia</b> Ms. Nindya Putri Sutedjo, Sub-Coord. Social Protection Programme, Benefit, and Contribution Development, MOM
17.00-18.00	<b>Discussion with the participants</b> <ul style="list-style-type: none"> <li>▪ Expert's perspective: Prof. Arief Anshory, Senior Lecturer, University of Padjadjaran (10')</li> <li>▪ Workers' perspectives (5')</li> <li>▪ Employers' perspectives (5')</li> <li>▪ Government's perspective (5')</li> </ul> Moderator: Ms. Ester Silalahi, MOM
<b>Day 2</b>	
08.00-08.30	<b>International standards and practices on old-age income security</b> Mr. Ippei Tsuruga, Social protection programme manager, ILO Jakarta
08.30-08.50	<b>Old-age income security system in Indonesia; challenges and options</b> Mr. Ippei Tsuruga, Social Protection Programme Manager, ILO Jakarta
08.50-09.40	<b>Discussion with the participants</b> <ul style="list-style-type: none"> <li>▪ Workers' perspectives (5')</li> <li>▪ Employers' perspectives (5')</li> <li>▪ Government's perspective (5')</li> </ul> Moderator: Mr. Christianus Panjaitan, National Project Officer, ILO Jakarta
09.40-10.00	Coffee break
10.00-12.00	<b>Group Work</b> Participants to be grouped into 5 groups of six, with two representatives each from trade unions, employers' organization, and government. A workers' profile in each province will be created as the case for question 4. Each group to work on answering the following questions: <ol style="list-style-type: none"> <li>1. What is the problem of old-age income security now and in the future, for you and your children.</li> <li>2. Does the existing old-age income security system would provide income security that promote certainty, adequacy, and equity to all in a sustainable manner?</li> </ol>

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	<p>3. Please provide the rationale for the group answer of yes or no. If the group answer is yes, stop here. If the group answer is no, continue to the next question.</p> <p>4. Your group agreed that the current system need improvement. Please discuss the reform options, taking into considerations the following parameters:</p> <ol style="list-style-type: none"> <li>The system model: existence and co-existence of define benefit (second tier/JP), define contribution (third tier/JHT), and basic scheme (first tier).</li> <li>Coverage: residence, wage-workers, non-wage workers, etc.</li> <li>Benefit level and duration for each scheme in the system</li> <li>Financing modalities</li> </ol>
12.00-13.00	Lunch break
13.00-14.30	<p><b>Group Discussion</b></p> <ul style="list-style-type: none"> <li>▪ Group presentation (Max 10' for each group)</li> <li>▪ Panel discussion</li> </ul> <p>Moderator: Mr. Christianus Panjaitan, National Project Officer, ILO Jakarta</p>
14.30-15.00	<p><b>Assessment and options for reform of the old-age income security system</b></p> <p>Ippei Tsuruga, Social Protection Programme Manager, ILO Jakarta</p>
15.00-15.30	<p><b>Discussion with the participants</b></p> <p>Moderator: Ms. Nindya Putri Sutedjo, Sub-Coord. Social Protection Programme, Benefit, and Contribution Development, MOM</p>
15.30-16.00	Coffee break
16.00-17.00	<p><b>Sub-Committee Meeting</b></p> <p>Each group to appoint 1 representative of trade unions, employers' organizations, and government to form two sub-committees of seven and eight. Each sub-committee to work on the reform options, taking into considerations the following parameters:</p> <ol style="list-style-type: none"> <li>The system model: existence and co-existence of define benefit (JP), define contribution (JHT), and basic scheme.</li> <li>Coverage; residence, wage-workers, non-wage workers, etc.</li> <li>Qualifying conditions for each scheme</li> <li>Benefit level and duration for each scheme in the system</li> </ol>
<b>DAY 3</b>	
08.00-09.00	<p><b>Sub-Committee Report</b></p> <ul style="list-style-type: none"> <li>▪ Sub-Committee presentation (Max 15' for each sub-committee)</li> <li>▪ Discussion with participants</li> </ul> <p>Moderator: Mr. Christianus Panjaitan, National Project Officer, ILO Jakarta</p>
09.00-10.30	<p><b>Committee Meeting</b></p> <p>Each sub-committee to appoint 1 representative of trade unions, employers' organization, and government to form a committee of six. The committee will work on a joint statement incorporating the reform options, taking into considerations the following parameters:</p> <ol style="list-style-type: none"> <li>The system model: existence and co-existence of define benefit (JP), define contribution (JHT), and basic scheme.</li> <li>Coverage; residence, wage-workers, non-wage workers, etc.</li> <li>Qualifying conditions for each scheme</li> <li>Benefit level and duration for each scheme in the system</li> </ol>
10.45-11.15	<b>Committee Report</b>



Time	Agenda
	<ul style="list-style-type: none"><li>▪ Committee presentation (15')</li><li>▪ Discussion with participants</li></ul> Moderator: Mr. Christianus Panjaitan, National Project Officer, ILO Jakarta
10.30-10.45	Coffee break & hotel check-out
11.15-11.30	<b>Presentation and signing of joint statement</b> Committee
11.30-11.45	Closing Remarks <ul style="list-style-type: none"><li>▪ ILO (5')</li><li>▪ MOM (5')</li><li>▪ Provincial Manpower Office (5')</li></ul>
11.45-13.00	Lunch Break & hotel check-out
13.00	End of Programme