



► Feasibility study

Operational requirements for Indonesia

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▶ Main Institutions involved in the implementation of employment insurance scheme in Indonesia

1. BPJS Employment:

- Registration of employers for the collection of EI contributions;
- Collection of contributions for employers and workers;
- Letter of termination from employer to worker to BPJS (also Industrial Relations requires a letter of termination as well (integrate together?));
- Receive applications for EI benefit; process applications and pay EI benefits if worker entitled;
- Continuous claims: make decisions on ongoing availability and capability such as refusal of suitable employment or quitting training courses;

▶ Main Institutions involved in the implementation of employment insurance scheme in Indonesia (continued)

2. Ministry of Manpower:

Jamsos (Social Security/Social Protection Directorate): responsible for providing leadership and oversight of the EI scheme including ongoing monitoring and overall responsibility;

Director General of Industrial Relations: involved in the hiring and firing of workers and includes the IR Dispute Settlement process;

Binapenta (Director General of Employment): involved in employment instruments called Active Labour Market Policies such as job matching services, labour market information, resumes and job search workshops and job fairs; new duties: register terminated workers for employment and conducting ongoing monthly job search activity interviews.

▶ Main Institutions involved in the implementation of employment insurance scheme in Indonesia (continued)

2. Ministry of Manpower (continued):

Binalattas (Director General of Training): responsible for competency standardization and job training; the development of training centers; the development of instructors and training personnel; internship or apprenticeship development; new duties: selection and referral of potential unemployed workers for training (close partnership between Binapenta and Binalattas);

Barenbang (Planning and Development Agency): has the task of providing support for workforce planning, data and information management as well as the head of Information Technology Centre.

Single Window Initiative

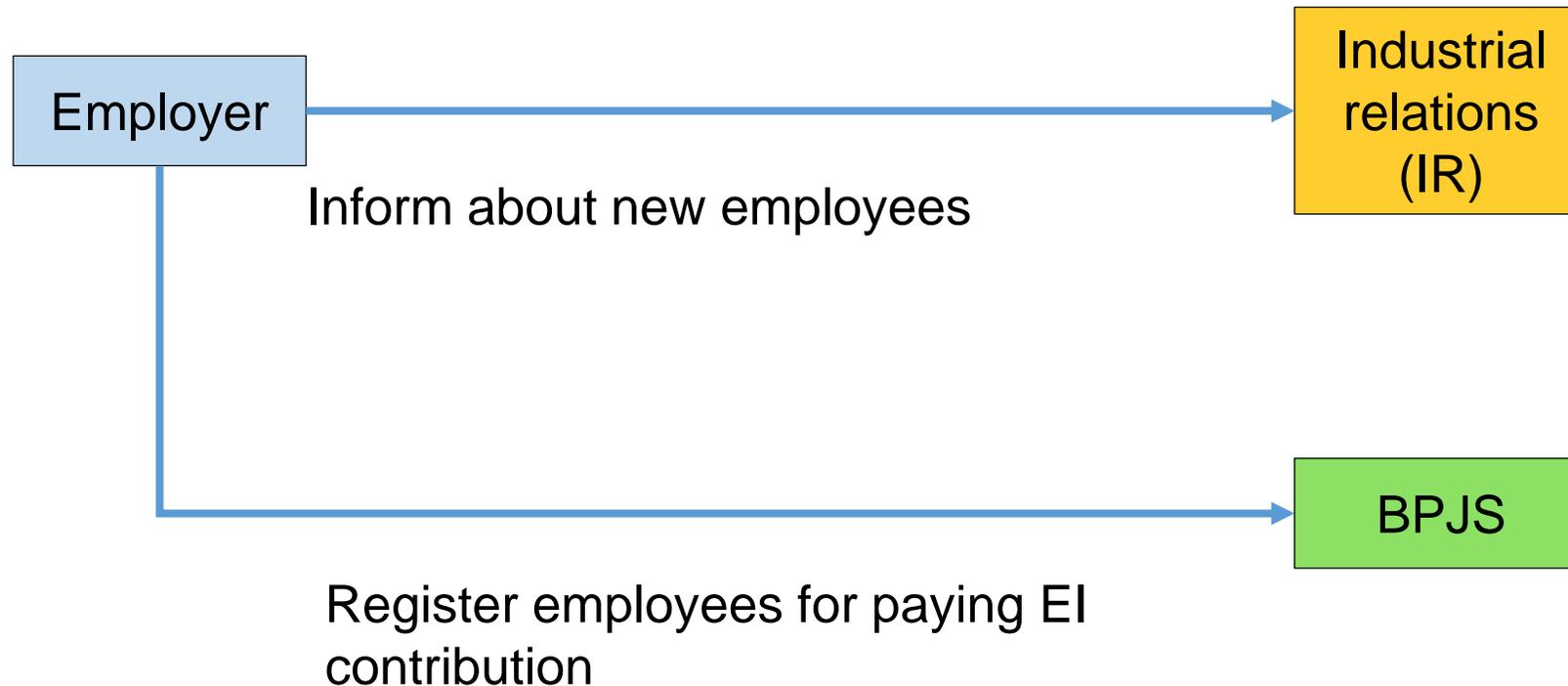
The single-window initiative would bring together the two main departments responsible for the processing of EI claims and active labour market policies that is: BPJS and Ministry of Manpower; could be achieved with co-location of the network of offices (e.g. Manpower staff in BPJS offices to provide effective service to unemployed workers – one stop shop for the registration of employment and the processing of EI claims for benefit and consult about potential training of the unemployed worker);

Many countries allow for an unemployed person to obtain these essential services in one location thereby enhancing the client service experience and reducing travel time between offices.

Operational flows

- In the slides, we illustrates operational flows in brief charts followed by detail tables.
- We try to connect current operations delivered by the existing institutions in the flow charts. In the meantime, we added in blue boxes key issues to be considered for improving the operations more effective.
- Colours in charts represent physical locations or institutions. For example, a local manpower office has units of industrial relations, public employment services, vocational training etc.; and therefore, these three units are illustrated in yellow boxes.

Hiring employees



 BPJS office

 Local manpower office

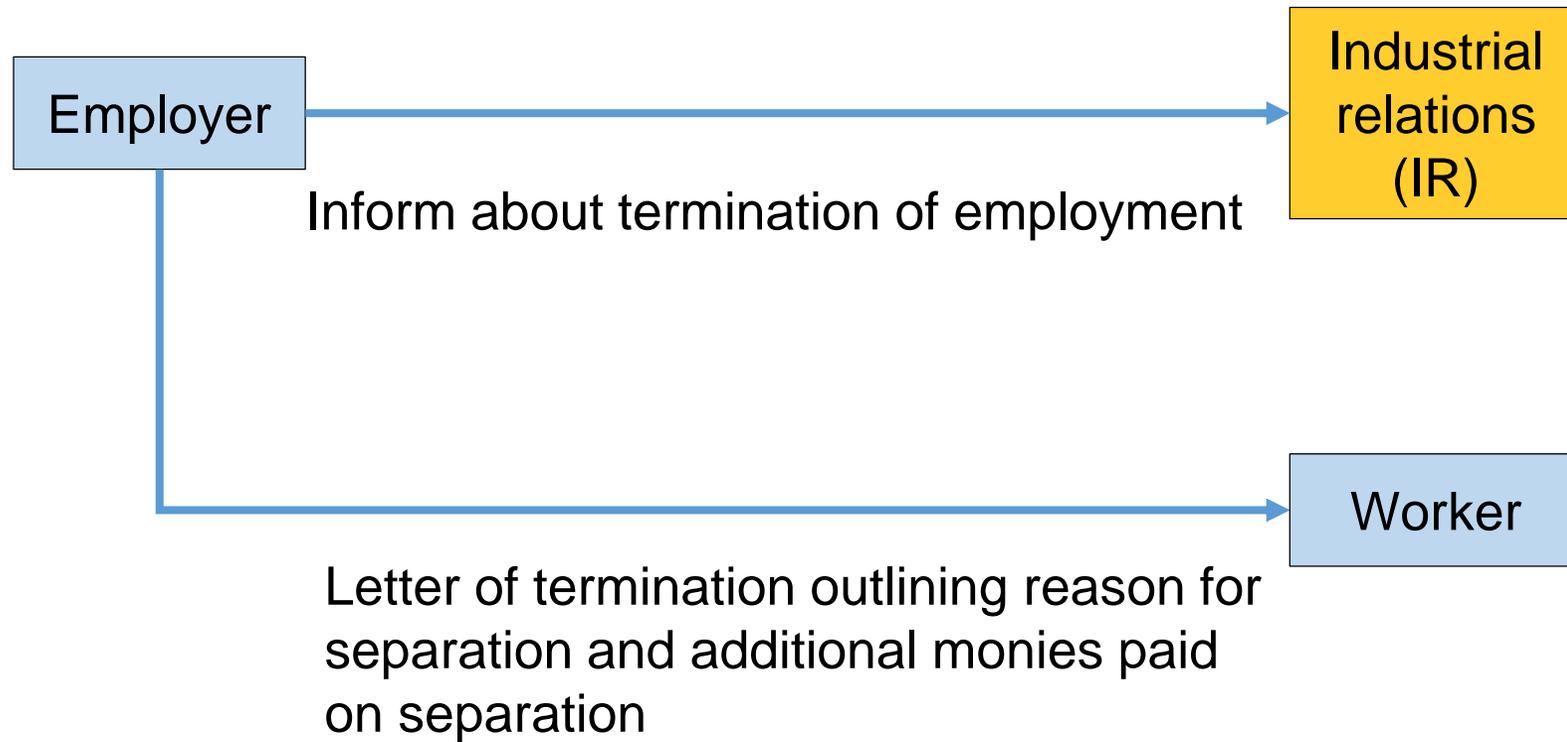
Considerations

The information/database of registered employees managed by local manpower offices and BPJS Employment may be shared/integrated in order to improve labour/social security inspection for compliance.

Hiring employees

Operational flows / Institutions	Worker	Employer	BPJS	MOM HQ / Province / District / City		
				Industrial relations	PES	Training
When starting up business and hiring workers (Labour issues)						
Register employers for hiring workers (only for the first time)		Submit		Receive		
Inform about new employees (whenever hiring)		Submit		Receive		
Registration of employers and collection of EI contributions						
Register employers for contribution collection (only for the first time)		Submit	Receive			
Register employees for paying contribution (whenever hiring)		Submit	Receive			
Collect contributions from employers on behalf of employees and employer		Pay	Receive			

Terminating employment

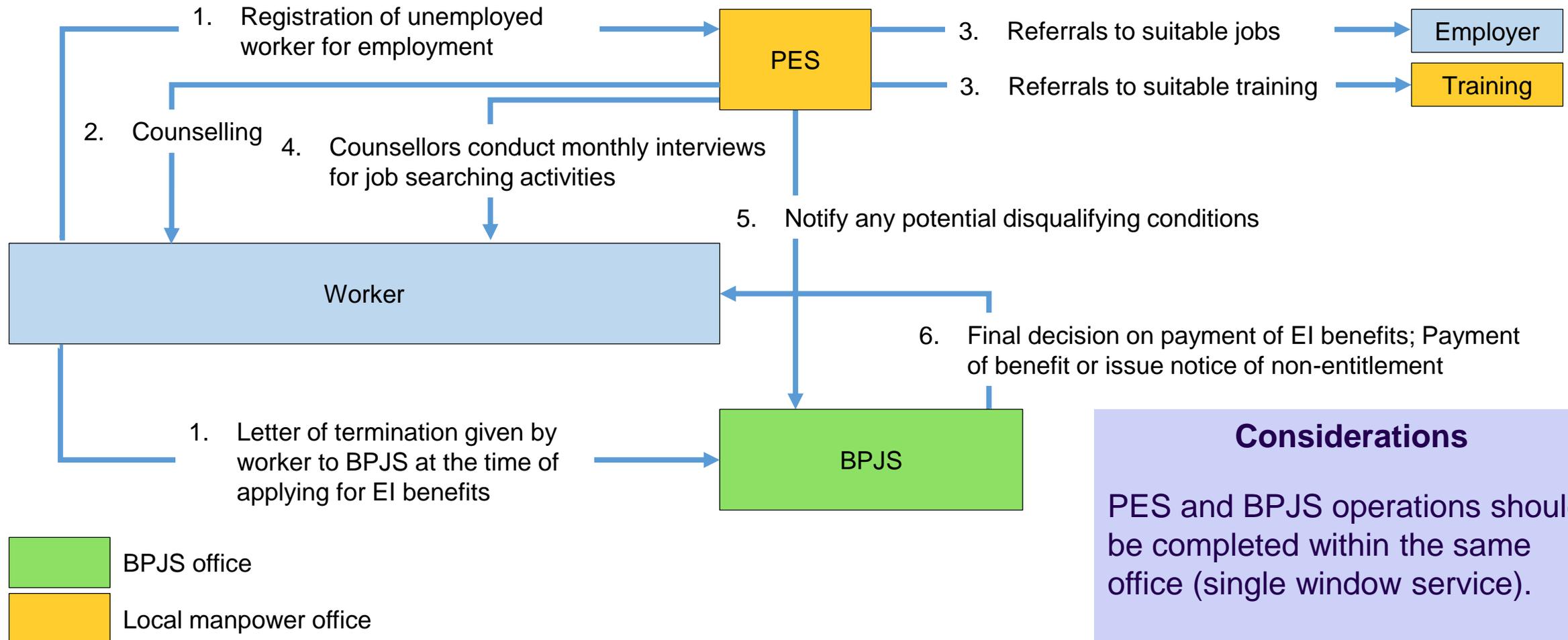


 Local manpower office

Considerations

MOM and BPJS should agree on a template for the letter of termination including all required information for their operations. There is also the issue of those who quit where IR does not require completion of the letter of termination but BPJS would definitely need it.

Claiming EI benefits



Considerations

PES and BPJS operations should be completed within the same office (single window service).

Terminating employment and claiming EI benefits

Operational flows / Institutions	Worker	Employer	BPJS	MOM HQ / Province / District / City		
				Industrial relations	PES	Training
When terminating employment and claiming EI benefits						
The employer provides the unemployed worker with a letter of termination outlining reason for separation and additional monies paid on separation, while copying local manpower offices	Receive	Submit		Copy		
Registration of unemployed worker for employment at a PES office	Register				Conduct	
Letter of termination given by worker to BPJS at the time of applying for benefits	Submit		Receive			
Apply for EI benefits at BPJS office and complete an EI application form (frontend services)	Submit		Receive			
Register EI application and set up claim docket			Register			
Review and assess EI application			Review			
Make final decision on payment of EI benefits (or issue notice of non-entitlement)			Approve			
Payment of benefit (bank or cash)	Receive		Pay			

Terminating employment and claiming EI benefits

Operational flows / Institutions	Worker	Employer	BPJS	MOM HQ / Province / District / City		
				Industrial relations	PES	Training
Continuation of benefit payments on a monthly basis						
Conduct a mandatory monthly meeting for job searching activities	Attend				Conduct	
Counsellors could conduct interviews					Conduct	
Provide counselling and possible referrals to suitable jobs and/or training		Hire			Refer	Train
Notify BPJS of any disqualifying conditions			Receive		Notify	

Potential Risks to the implementation of a new employment insurance scheme for Indonesia

The feasibility report focuses on operational risks associated with the implementation of an employment insurance scheme but should be aware there are many forms of “scheme” risks which are not explicitly covered by the report; however, in a scheme wide risk management analysis, all scheme risks should be covered.

1. COVID-19 pandemic (high degree of risk);
2. Population and Geography of Indonesia (medium degree of risk);
3. Decentralization of government institutions (high degree of risk);

Potential Risks to the implementation of a new employment insurance scheme for Indonesia (continued)

4. Letter of termination (high degree of risk);

5. New administrative functions for employment (high degree of risk);

6. Compatibility of IT Systems between MoM and BPJS (high degree of risk).

Illustration of a generic implementation plan for Indonesia

Phase	Areas of work	Important Dates
	Government formalizes the establishment of a new EI scheme for Indonesia	October 5, 2020
Phase One	Establish National Implementation Working Group	
	Establish Administrative Board for EI Fund	
	Legal requirements	
	Network of Offices	
Phase Two	IT System for collection of contributions	
	Manual of Procedures	
	Communication Strategy for collection of contributions	
	Recruitment for collection of contributions	
	Training for collection of contributions	
	Go Live Date for the collection of contributions for EI	March 1, 2021 or April 1, 2021
Phase Three	Establish Hotline to national headquarters for local offices to address implementation issues	
	IT System for calculation and payment of EI benefits	
	Communication Strategy for implementation and benefits	
	Recruitment and training for calculation and payment of benefit	
	Implementation Date for unemployed workers to file EI claims for benefit and receive EI benefit	March 1, 2022 or April 1, 2022
Phase Four	Monitoring and evaluation of the implementation of the new EI scheme in first month of processing EI claims	
	Monthly Reports for managing the processing of EI claims for benefit	
	Continuous training	
	Continuous communication	
	Full evaluation of new EI scheme 3 to 6 months after EI scheme implementation	July 1, 2022 or October 1, 2022



THANK YOU

This note has been prepared by Ippei Tsuruga and John Carter as part of the ILO-UNIQLO Project on Unemployment Protection in Indonesia – Quality Assistance for Workers Affected by Labour Adjustments, funded by the Fast Retailing Co., Ltd. Please contact Ippei Tsuruga (tsuruga@ilo.org) or Christianus Panjaitan (christianus@ilo.org) for more details.