

► Employment insurance

Operational requirements for Indonesia

Ippei Tsuruga, International Labour Organization

Zoom - 22 September 2021

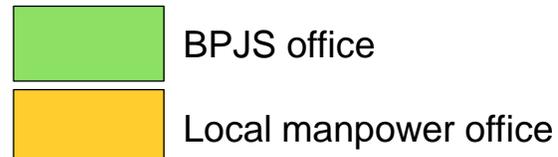
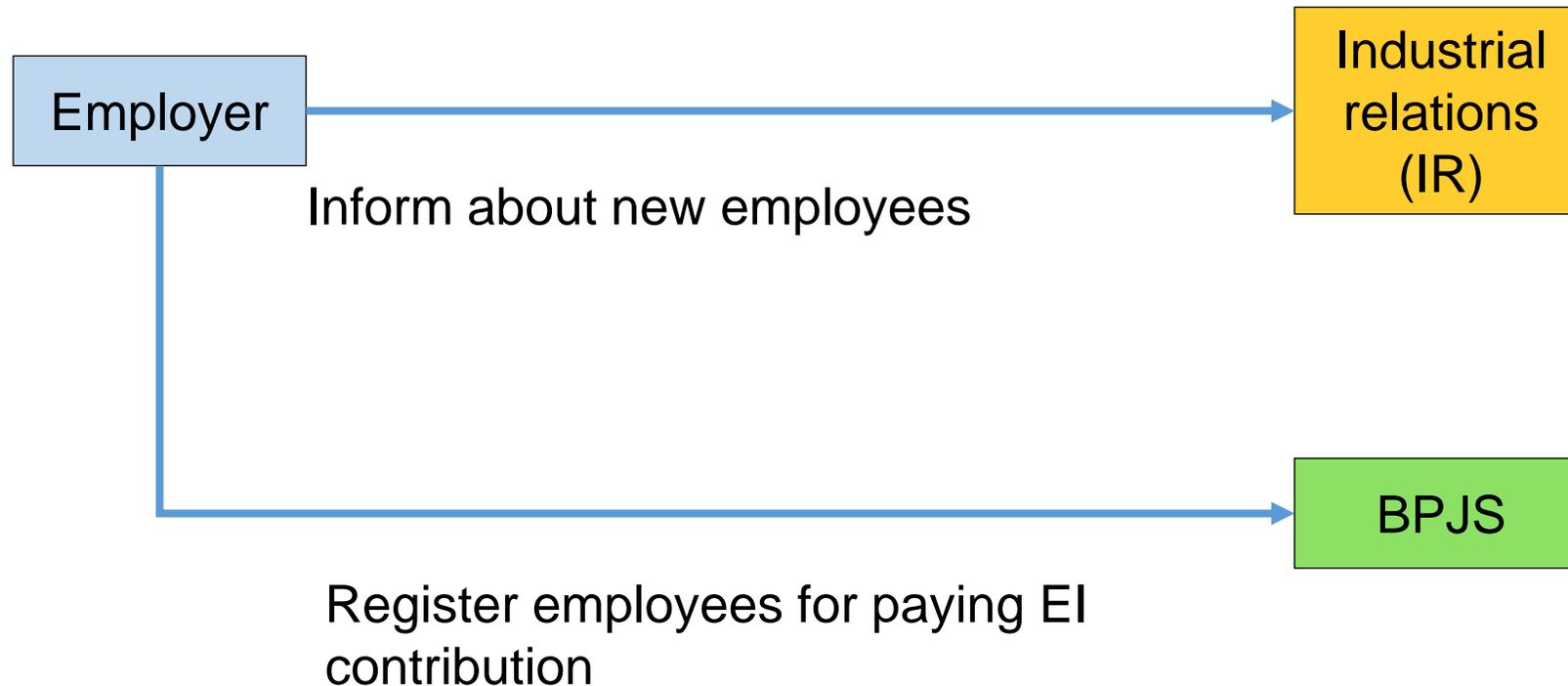
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Operational flows

- 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



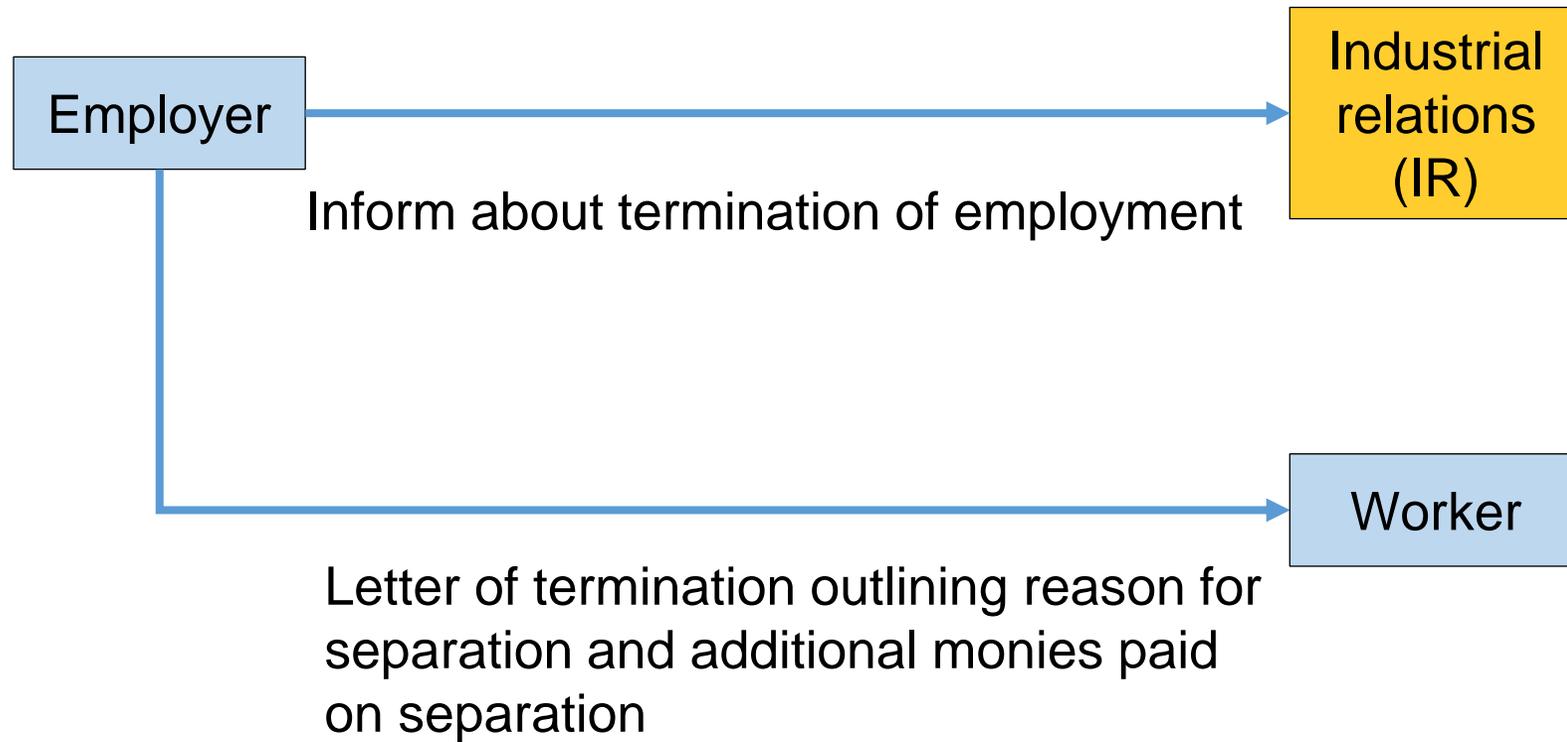
Considerations

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

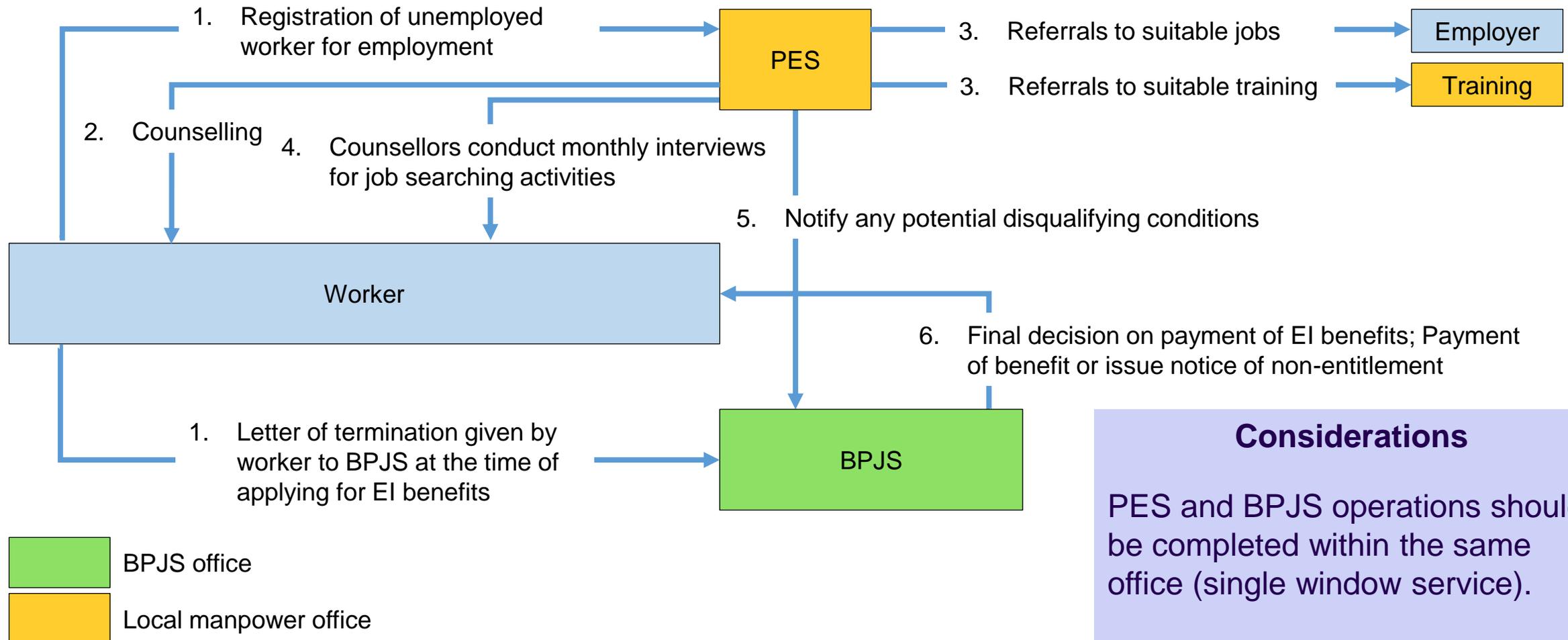


 Local manpower office

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	

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

► **Mandatory monthly meeting is missing**

Qualifying conditions other than contributions

- **Willingness to work (Government Regulation Article 19 (2))**
- **Being capable (Not permanent total disability, Government Regulation Article 20 (1))**
- **Not receiving pension (Government Regulation Article 20 (1))**
- **Not dead (Government Regulation Article 20 (1))**
- **When finding a job, JKP payment stops (Article 40)**

▶ Other missing conditions

Consequences of job or training refusals

Usually, refusals lead to the suspension of UI payments

► Public employment services and employment insurance

- PES assists UI recipients in returning to work as soon as possible
- Effective PES contributes to activating the labour market and also reducing financial expenses of the UI fund
- And more...

► Public employment services in Korea

- Asian financial crisis in late 1997 => Increased the number of career counsellors from 80 (1996) to 3,000 (2000), more than 30 times
- Global financial crisis 2008 => Hired additional 2,000 career counsellors
- COVID-19 pandemic => Hired additional 750 career counsellors

Public employment services



UK 56,000, USA 60,000, Netherland 15,000

Online job centre WorkNet in Korea

Introduced web-based job matching services WorkNet after the Asian financial crisis

Overall Status (As of July 2019)

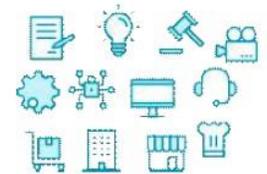
Cumulative Download number of Worknet Application

5.5 million



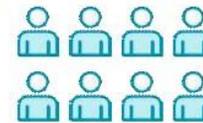
Valid number of Job-Openings

900,000



Daily Average number of Visitors

780,000



Visitors by countries : Germany 200,000, Japan 460,000, France 120,000, Netherlands 180,000

Registered Integrated Corporate Information

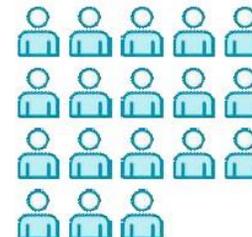
1.84 million



Youth-friendly Unicorn Company : 1,127

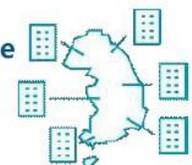
Worknet Members

18.36 million



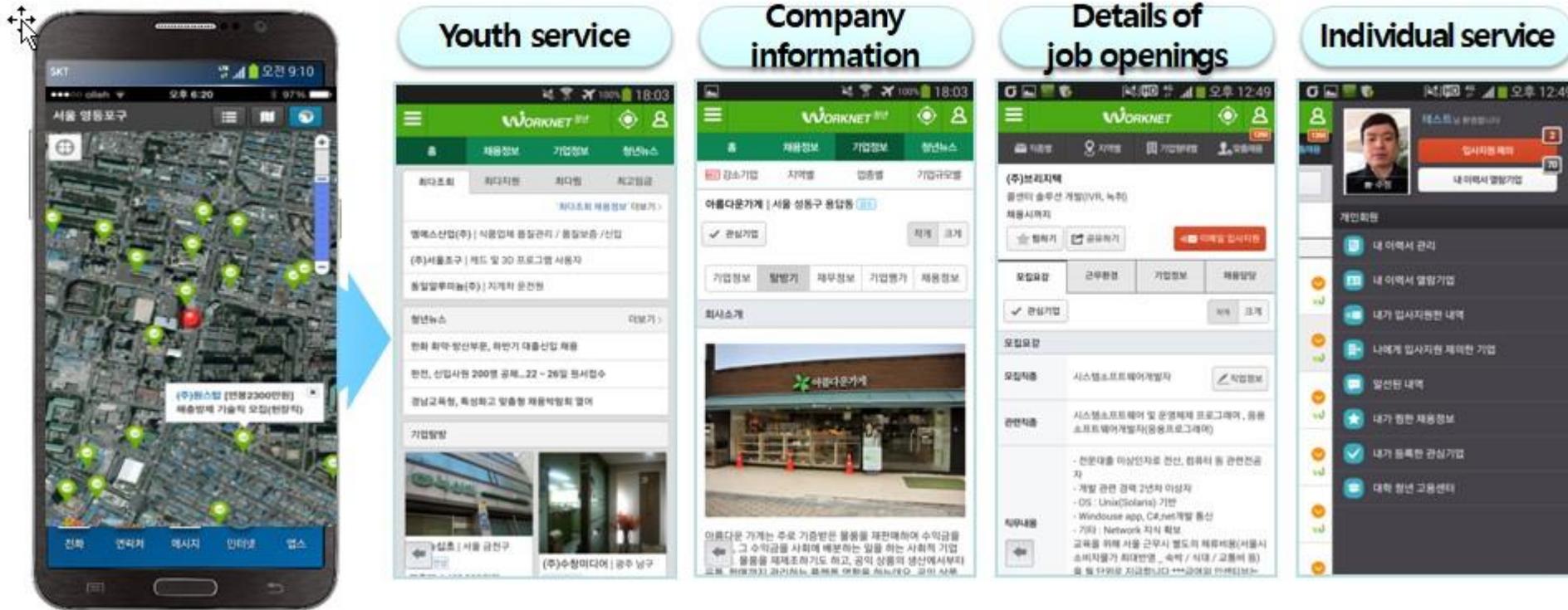
Job-Information Connection of nationwide

154 Places



Public Institution 22, Local Worknet 122, Private Portal 10

- Introduced in 2011, 430,000 Users per Day
- Service available regardless of place and time



Unemployment Insurance Benefit Claim
Introduced in 2014



Achievement in Hello work

18



		2016	2017	2018
Job placement	Newly job seekers	5,189	4,952	4,736
	Newly job vacancies	9,734	10,244	10,393
	Employment	1,627	1,558	1,465
	Retirement rate within 6 months after employed	—	22.5%	
Unemployment benefits	Newly qualified recipients	1,408	1,345	1,336

Note: unit is thousand people (except for specific noted)



THANK YOU

This note has been prepared by Ippei Tsuruga. Please contact Ippei Tsuruga (tsuruga@ilo.org) or Christianus Panjaitan (christianus@ilo.org) for more details.

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