

Towards a comprehensive social protection system in Indonesia

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► Goal and road map 2022 – 2024

► Ratification of social security conventions

Conventions may be of Indonesia's interest

- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Maternity Protection Convention, 2000 (No. 183)

Possible milestones

- Ratification at the 111th International Labour Conference – June 2023
- Establish/Reform social security schemes in conformity with the standards by December 2023
- Presidential election, preparation for the RPJMN 2025-2028 – February 2024
- Report the country's efforts at 112th International Labour Conference – June 2024

Availability of social security schemes – Indonesia

Social security branch	Minimum standards	Social security	Employers' liability
Medical care	C102 Part II	JKN	
Sickness benefit	C102 Part III	None	Labour law
Unemployment benefit	C102 Part IV	JKP	Labour law
Old-age benefit	C102 Part V	JP, JHT	
Employment injury benefit	C102 Part VI	JKK	
Child (Family) benefit	C102 Part VII	PKH	
Maternity benefit	C102 Part VIII	None	Labour law
Invalidity benefit	C102 Part IX	JP, JHT	
Survivors' benefit	C102 Part X	JP, JHT, JKm	

Availability of social security schemes – South-Eastern Asia

	Number of covered areas	Child & Family	Maternity	Sickness	Unemployment	Employment injury	Disability / Invalidity	Survivors	Old age
Brunei	5	None	○	▲	None	○	○	○	○
Cambodia	3	None	○	○	▲	○	●	●	●
Indonesia	6	○	▲	▲	○	○	○	○	○
Lao PDR	7	None	○	○	○	○	○	○	○
Malaysia	5	None	▲	▲	○	○	○	○	○
Myanmar	4	○	○	○	●	○	●	●	●
Philippines	7	None	○	○	○	○	○	○	○
Singapore	7	○	○	○	None	○	○	○	○
Thailand	8	○	○	○	○	○	○	○	○
Timor-Leste	4	None	○	None	None	▲	○	○	○
Viet Nam	8	○	○	○	○	○	○	○	○

○ At least one programme anchored in national legislation, including employer-liability programmes based on mandatory risk pooling.

● Legislation not yet entered into force. ▲ Limited provision (e.g. labour code only) △ Only benefit in kind (e.g. medical benefit).

Available studies by social security branches

Title	Medical care	Sickness	Unemployment	Old-age	Employment injury	Child	Maternity	Invalidity	Survivors
Legal assessment of Indonesia in view of a possible ratification of ILO Convention 102	X	X	X	X	X	X	X	X	X
Financial assessment of the JP scheme, maternity and sickness benefits		X		X			X	X	X
Reviews of the JKP policy in Indonesia			X						
Old-age income security in Indonesia: A literature review				X					
Survey on income security of female employees during maternity leaves in Indonesia							X		

▶ Maternity benefit

Aligning with international labour standards for better protection

Parameter	Current policy	Convention 102	Convention 183
Coverage	All female employees	50 per cent of all female employees	All female employees
Duration (Maternity leave)	1.5 months antenatal leave and 1.5 months postnatal leave (13 weeks)	12 weeks	14 weeks including 6 weeks compulsory post-natal leave
Replacement rate	100% of wage	45% of previous earnings	67% of previous earnings
Financing	Employers	Social insurance , taxation	Social insurance, taxation

Duration of maternity leave (1)

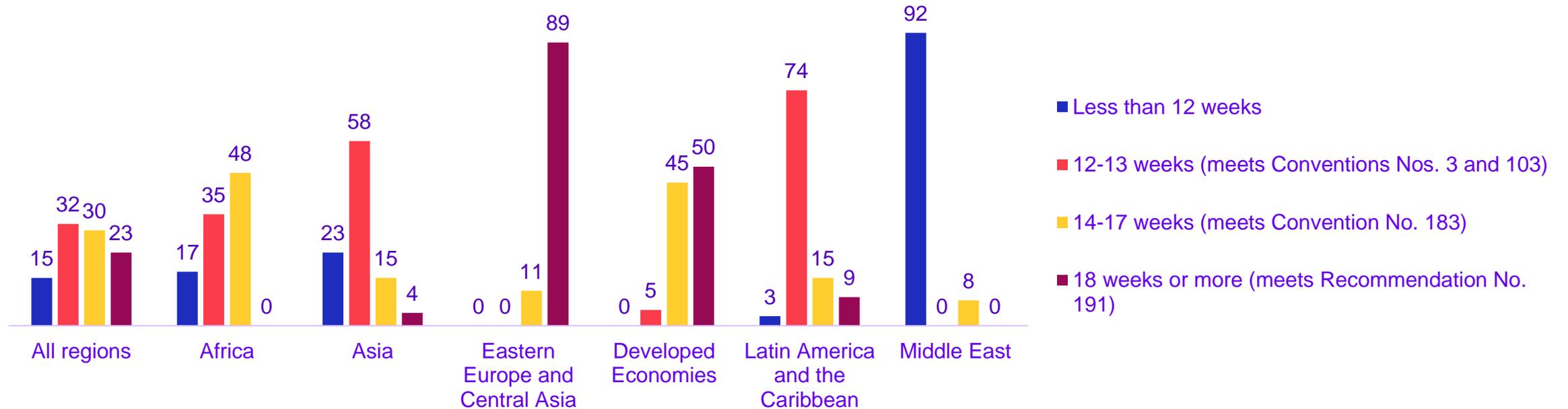
Convention 183 (Article 4)	Recommendation 191 (Paragraph 1)	Law Number 13 of 2003 (Article 82)**
Not less than 14 weeks including 6 weeks compulsory post-natal leave*	<p>At least 18 weeks</p> <p>Entitle women to choose freely the time at which she takes any non-compulsory portion of maternity leave before or after childbirth</p> <p>Extend maternity leave in the event of multiple births</p>	<p>3 months including 1.5 months of pre-natal leave and 1.5 months of post-natal leave</p> <p>1.5 months of miscarriage leave</p>

* This instrument opens up the possibility of agreements being made between governments and representative organizations of employers and workers at the national level on the arrangement of compulsory leave.

** The length of the period of rest may be extended if such is medically required as attested by a written medical statement from the obstetrician or midwife either prior to or after the delivery.

Duration of maternity leave (2)

Statutory duration of maternity leave, by region, 2013 (185 countries and territories) (%)



Amount of cash benefits (1)

Convention 102 (Article 52)	Convention 183 (Article 6)	Recommendation 191 (Paragraph 2)	Law Number 13 of 2003 (Article 84)
45% up to 12 weeks	At least two-thirds of previous earnings for a minimum of 14 weeks*	Full amount of previous earnings	Full amount of wage

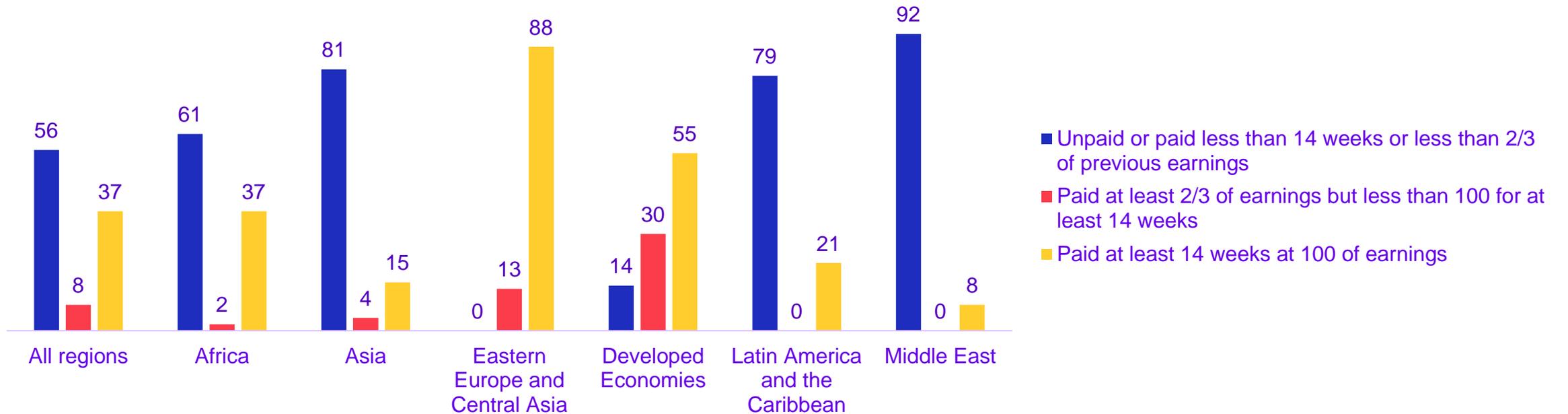
Guiding principle

- The level of benefits should ensure that the woman can maintain herself and her child in proper conditions of health and with a suitable standard of living.

* A comparable amount is allowed if other methods are used to determine cash benefits

Amount of cash benefits (2)

Amount of cash benefits and maternity leave duration, by region, 2013 (167 countries) (%)



Financing (1)

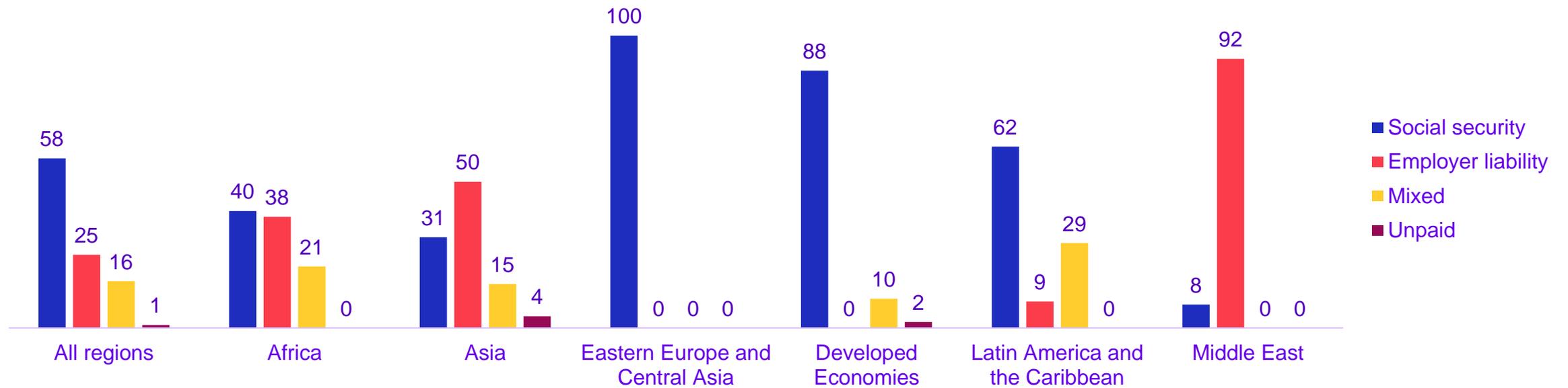
Convention 102 (Article 71)	Convention 183 (Article 6)	Law Number 13 of 2003
Social insurance or taxation or both	Compulsory social insurance or public funds	Employer's liability

Limitations of employer's liability

- The cost of maternity leave might affect the employment prospects of female workers.
- The compliance with maternity benefits might be low and cannot be enforced.

Financing (2)

Source of funding of maternity leave cash benefits, by region, 2013 (185 countries and territories) (%)



▶ Effectiveness of current scheme

Maternity leave

- Half enjoyed paid maternity leaves for 3 months in full.
- Contract workers (PKWT) less likely enjoyed the full entitlement than permanent workers (PKWTT).
- Workers in micro/small enterprises less likely enjoyed the full entitlement than workers in larger enterprises.

Maternity allowance

- A quarter of the workers enjoyed the full allowance.

▶ Old-age benefit

Legal coverage of BPJS-TK programmes

Scheme		Wage worker			Non-wage worker
		Large/Medium	Small	Micro	
Old-age saving	JHT	Mandatory	Mandatory	Voluntary	
Pension	JP		Voluntary		Not eligible

Old-age pension (JP)

Parameters	C102	JP
Coverage	50% of all employees	Employees of the formal sector working in medium or large scale enterprises .
Qualifying condition	15 years of contributions	15 years of contributions
Replacement rate	40% for 30 years of contributions	30% for 30 years of contributions
Duration	Lifetime	Lifetime
Payment	Periodical	Periodical

Old-age pension (JHT)

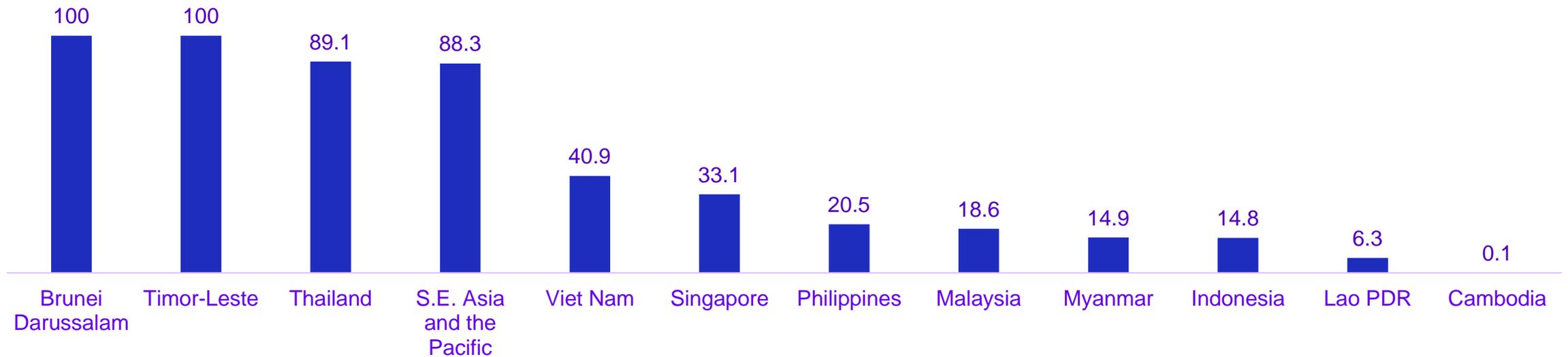
Parameters	C102	JHT
Coverage	50% of all employees	Employees of the formal sector working in small, medium or large scale enterprises ; and voluntary for other workers .
Qualifying condition	15 years of contributions	n/a (Paid at the age 56)
Replacement rate	40% for 30 years of contributions	Up to the amount of saving
Duration	Lifetime	Up to the amount of saving
Payment	Periodical	Lump-sum

Active participants in old-age benefit schemes

Working age population, age 20-59* () = Female		TASPEN	ASABRI	JHT	JP
Economically active	119 million (47 million)	21 million			
Employee	46 million (17 million)	4 million	1 million	15 million	12 million
Non-wage worker or employer	65 million (27 million)	-	-	0.6 million	-
Unemployed	7 million (3 million)	-	-	-	-
Economically inactive	36 million (30 million)	-	-	-	-
Student	3 million (1 million)	-	-	-	-
House keeping	29 million (27 million)	-	-	-	-
Others	4 million (1 million)	-	-	-	-

Older persons receiving a pension in South-Eastern Asia

Persons above statutory retirement age receiving an old-age pension (including contributory and non-contributory) to persons above statutory retirement age (%)



Older-age income security in ASEAN Member States

Old-age pension schemes anchored in national legislation providing periodic cash benefits
10 countries

Contributory scheme
only

2 countries (KHM,
LAO)

Contributory scheme
and non-contributory,
means-tested scheme

5 countries (IDN,
MYS,PHL, SGP, VNM)

Contributory scheme
and non-contributory,
pension-tested scheme

1 country (THA)

Contributory scheme
and non-contributory,
universal scheme

2 countries (BRN,
MMR)

► **Employment injury benefit** Selected policy issues

Permanent disability benefit (permanent inability to work)

Degree of disability	Article 36 – C102	JKK
Total disability	50 per cent of previous earnings throughout the contingency in periodical payment	<ul style="list-style-type: none"> 70% of 80 months of last wage in lump sum IDR 500,000 periodical payment for 24 months (or lump sum of IDR 12 million).
Partial disability	50 per cent of previous earnings throughout the contingency in periodical payment*	<ul style="list-style-type: none"> Partial anatomical disability = % refers to table x 80 month of last wage in lump sum Partial functional disability = % of the functional decrease x % refers to table x 80 month of last wage in lump sum

Note: The periodical payment may be commuted for a lump sum: where the degree of incapacity is slight; or where the competent authority is satisfied that the lump sum will be properly utilised.

► Permanent disability benefit – Preliminary assessment

Payment and duration of permanent disability benefits

- The programme provides benefits in lump sum for a prescribed duration.
- The Convention requires a periodical payment of at least 50% of the insured's previous earnings throughout the contingency.

Survivor's benefit (breadwinner's death)

Degree of disability	Article 36 – C102	JKK
Death grant	40 per cent of deceased's previous earnings in periodical payment	<ul style="list-style-type: none"> 60% of 80 months of last wage in lump sum subject to a minimum amount of IDR 20 million IDR 500,000 periodical payment for 24 months (or lump sum of IDR 12 million).
Funeral grant		<ul style="list-style-type: none"> IDR 10 million in lump sum
Scholarship		<p>For a maximum of two children</p> <ul style="list-style-type: none"> Kindergarten to elementary school: IDR 1.5 million per year per child (for a maximum education period of eight years) Middle school or equivalent level: IDR 2 million per year per child (for a maximum education period of three years) High school or equivalent level: IDR 3 million per year per child (for a maximum education period of three years) Higher education or training: IDR 12 million per year per child (for a maximum education period of five years).

▶ Survivor's benefit – Preliminary assessment

Payment, duration and amount of survivor's benefits

- The programme provides benefits in lump sum for a prescribed duration.
- The Convention requires a periodical payment of at least 40% of the breadwinner's previous earnings.

► Unemployment benefit Selected policy issues

► Risks of effectiveness (1)

The current policy will prevent vulnerable workers from receiving benefits

Qualifying conditions

- 12 months in last 24 months including 6 consecutive months (Article 19 (3))

Treatment of voluntary unemployment or forced termination

- No benefit for voluntary unemployment (Article 20 (1))
- Not regulated for voluntary unemployment with just cause i.e. End of fixed-term employment is not regulated to grant UI benefits

▶ Risks of effectiveness (2)

Subsequent claims

- Workers can claim only up to 3 times during working age (Article 35)
- The second/third claim can be submitted 5 years after the first/second benefit (Article 35b,c)

► Risks of effectiveness (2)

Relevance of maximum insurable earnings for calculating contribution and benefits

- 5,000,000 rupiahs (Article 11 (7), 21 (3))
- No automatic indexation mechanism, but instead, adjusted through a regular assessment every 2 years (Article 12, 22)

▶ Risks of effectiveness (3)

Treatment of employer's non-compliance

- **Underreporting earnings:** If employers report different wage amount from actual wage amount, the employers have to compensate the difference in unemployment benefits paid by BPJS Employment that workers were supposed to be entitled to (Article 23).
- **Not registering workers:** If an employer does not enrol employees in the programme and terminates employment, the employer has to pay unemployment cash benefits following the abovementioned formula but in lump sum as well as training allowance (Article 37).

► Risks of effectiveness (4)

- **Not contributing up to 3 consecutive months:** If employers are in arrears for JKK and JKM contributions for up to 3 consecutive months prior to termination of employment, BPJS Employment shall pay unemployment cash benefits following the abovementioned formula to workers; and the employers shall pay the contributions in arrears (Article 39 (1), (2)).
- **Not contributing more than 3 consecutive months:** If an employer are in arrears for JKK and JKM contributions for more than 3 consecutive months prior to termination of employment, employers shall pay unemployment cash benefits following the abovementioned formula to workers; the employers shall pay the contributions in arrears; and the employers can request BPJS Employment to reimburse the amount of benefits paid to workers no later than 3 months after the date of payment (Article 39 (3), (4), (5)).

▶ Risks of efficiency

- Consequences of suitable job offers are not regulated.
- Consequences of frequent absence from trainings are not regulated.

▶ Risk of sustainability

- Government : Employer = 0.22% : 0.24% = 0.46% (Article 11)

▶ THANK YOU

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