



ILO's recommendations on pension reforms in Indonesia and international practices including Japan

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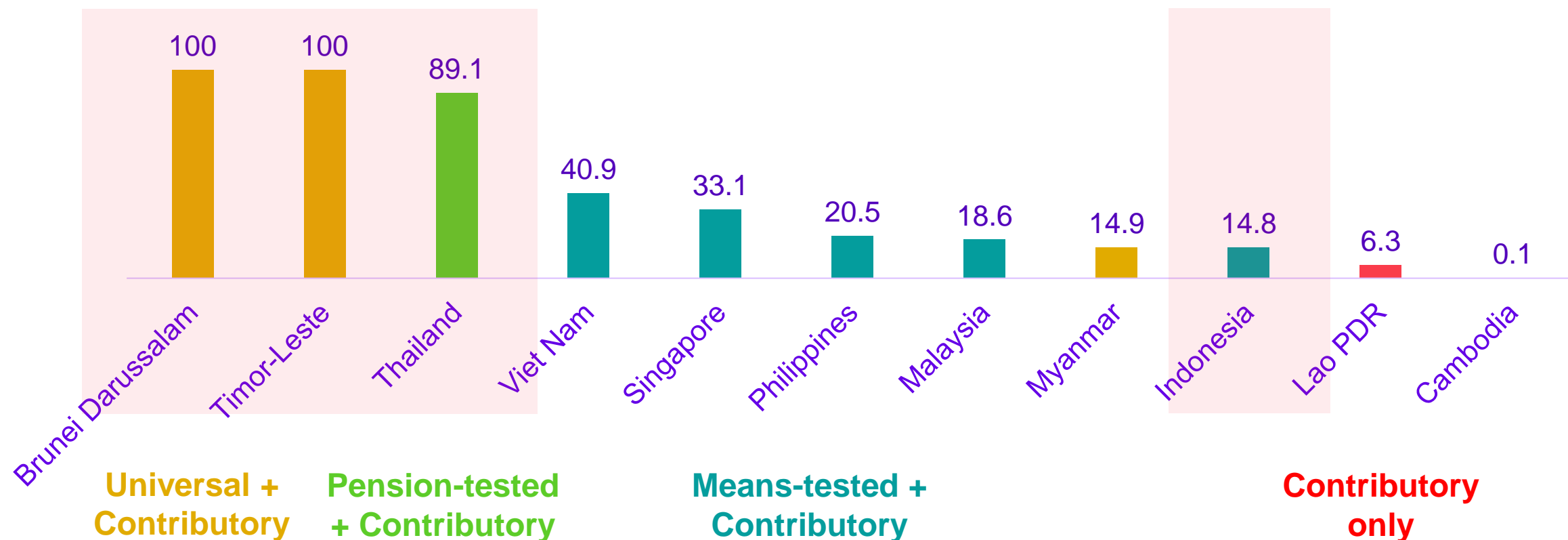






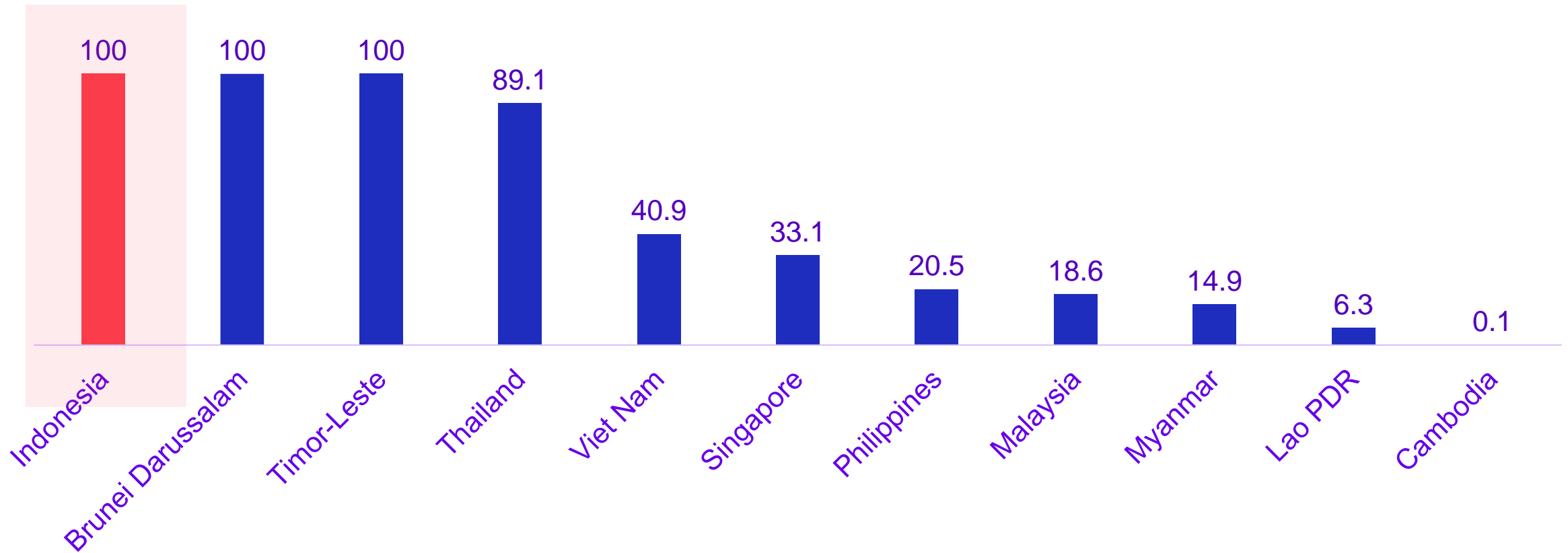


Older persons receiving a pension in South-Eastern Asia



Note: Persons above statutory retirement age receiving an old-age pension (including contributory and non-contributory) to persons above statutory retirement age (%); Source: ILO. 2021. World social protection report 2020–22: Social protection at the crossroads in pursuit of a better future.

ILO's proposal – Immediately



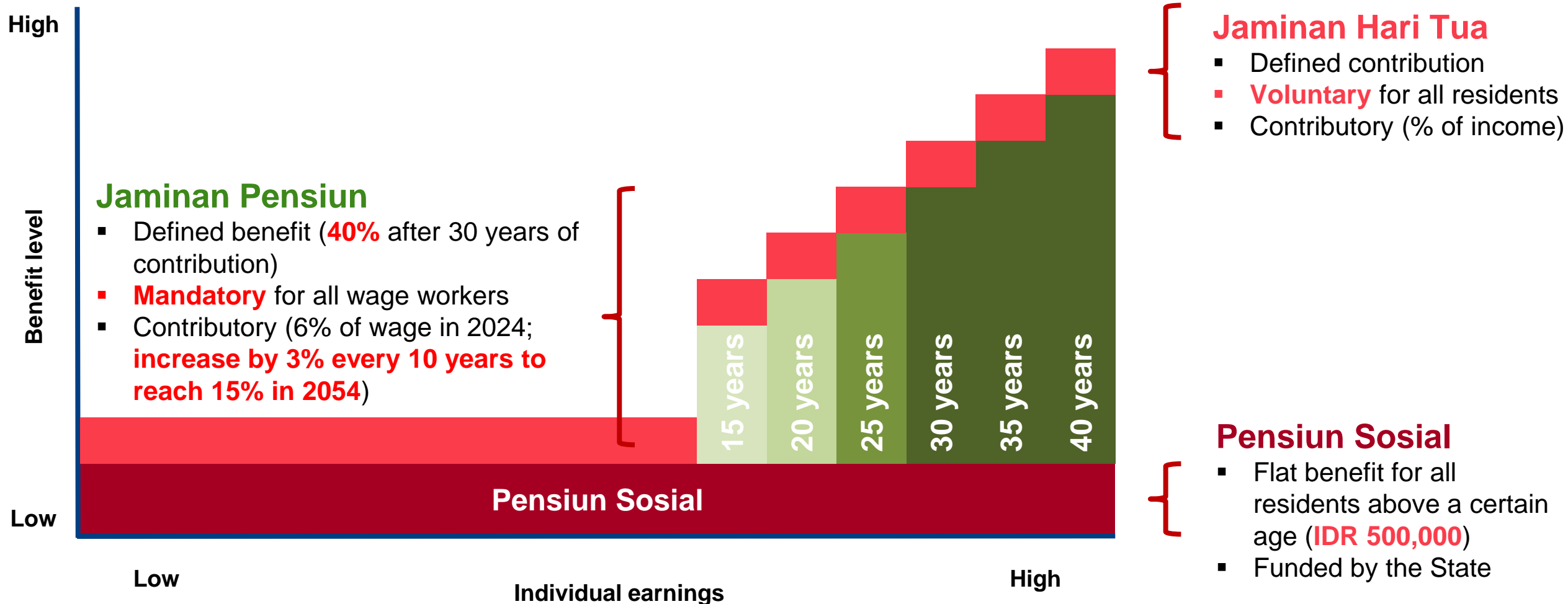
► Pensiun Sosial (PS)



Pensiun Sosial

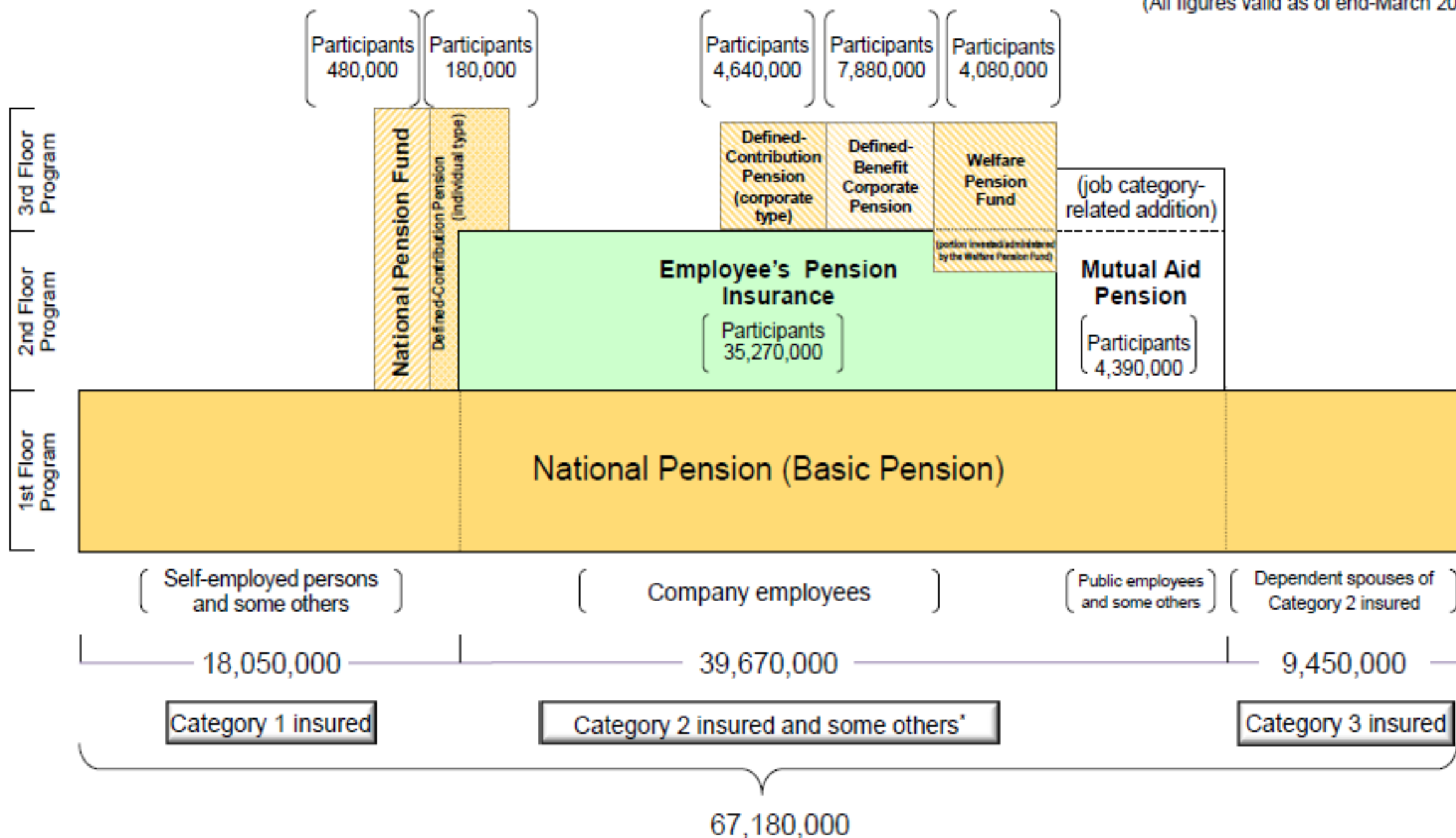
		Brunei	Timor-Leste
Qualifying conditions		Age 60 and resident for previous 10 years (30 years if non-citizen)	Age 60
Benefit amount	Local currency	BND 250 per month (IDR 3 mil.)	Age 60 – 69: USD 60 per month (IDR 0.9 mil.) Age 70 – 79: USD 80 per month (IDR 1.2 mil.) Age 80 –: USD 100 per month (IDR 1.5 mil.)
	% of GDP per capita	5.7%	-
	% of minimum wage	50%	Age 60 – 69: 40% Age 70 – 79: 53% Age 80 –: 67%
		*MW = BND 500 per month	*MW = USD 150 per month

Pensiun Sosial (PS) + JP mandatory for PU



Jaminan Pensiun Nasional (JPN)





* "Cat 2 insured and some others" mean those covered by Employee Pension Insurance (including Cat 2 insured and those aged 65 and over or those entitled to pension benefits by reason of retirement).

▶ JPN coverage in Japan

Labour forces (age 20 – 59): 69.57 million

Coverage: 67.55 million

- Self-employed, students, unemployed: 14.49 million
- Employee: 40.47 million
- Dependent housewife/hasband of salaried workers: 7.93 million
- Civil servant: 4.66 million

► Policy design

Legal coverage: Mandatory for all citizens age 20 – 59 years old

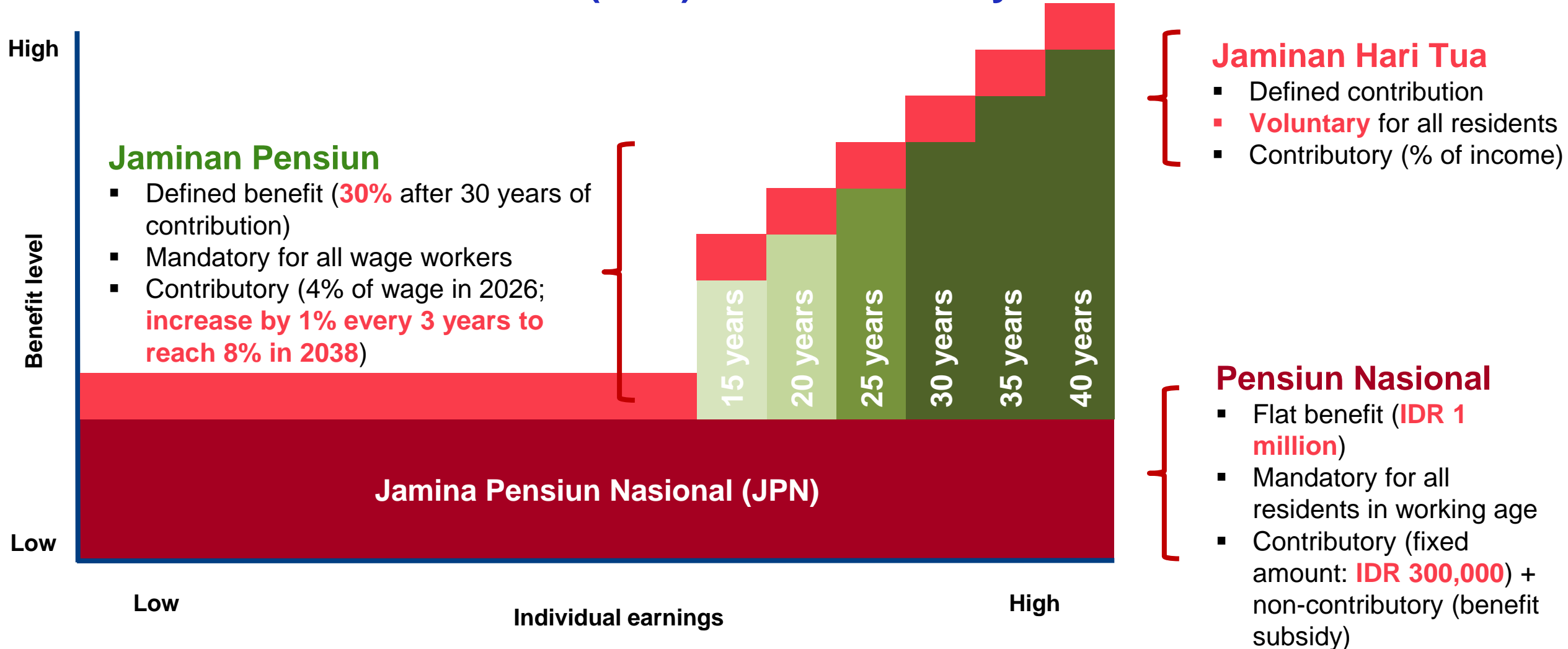
Qualifying condition: 10 years

Contribution: JPY 17,510 per month (approximately 10% of minimum wage)

Pension: JPY 831,700 per year; JPY 69,308 per month (approximately 40% of minimum wage)

State's role: 50% of basic pension expenditure

Jaminan Pensiun Nasional (JPN) + JP mandatory for PU



Impact (initial year)

- Coverage: **6 million (75+)**
- APBN: **IDR 36 trillion** (2024)
- Coverage: **20 million (65+)**
- APBN: **IDR 118 trillion** (2024)
- APBN untuk Bansos (2025): **Rp 505 triliun**
- APBN untuk JKN-PBI, PKH, KIP dll.: **Rp 163 triliun**

► Pembiayaan (PU: pekerja penerima upah, %)

Sistem pensiun saat ini

Skema	JHT	JP	JPN	Total
Pemberi kerja	3.7%	2.0%	-	5.7%
PU	2.0%	1.0%	-	3.0%
BPU	(2.0%)	-	-	(2.0%)
Pemerintah	-	-	-	-

Sistem pensiun baru

Skema	JHT	JP	JPN	Total
Pemberi kerja	-	4.0%	-	4.0%
PU	-	4.0%	Rp 300.000	4.0% + Rp 300.000
BPU	-	-	Rp 300.000	Rp 300.000
Pemerintah	-	-	Rp 118 triliun	Rp 118 triliun

References



Key technical reports

Pension (JHT, JP – P2SK Law)

- [Financial assessment of the social security pension schemes](#)

Unemployment benefits (JKP – Government regulation 37/2021)

- [Unemployment insurance in Indonesia: Challenges and recommendations](#)
- [Actuarial analysis of a proposed unemployment insurance scheme in Indonesia](#)
- [Feasibility study on an unemployment insurance system for Indonesia: Institutional and operational aspects](#)

Maternity benefits (New scheme – Bill on maternal and childcare)

- [Financial assessment of the social security pension schemes](#)
- [Maternity leave in metropolitan Indonesia: Evidence on duration, benefits and job protection](#)

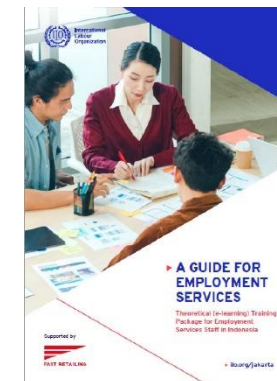
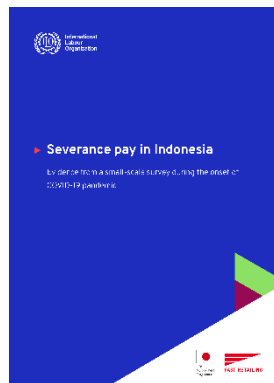
Climate change (Just Energy Transition)

- [Social insurance and climate change in Indonesia: Implications for Adaptive Social Protection ambitions](#)

Others

- <https://www.ilo.org/jakarta/whatwedo/publications/lang--en/index.htm>

Key technical reports





▶ **THANK YOU**

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

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