SUMMARY OF DISCUSSIONS ON EMPLOYMENT INSURANCE PARAMETERS IN INDONESIA

WORKSHEET

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1. COVERAGE

	Employee		Civil Migrant servant	Domestic workers	Part-time	Employer	
	Permanent	Fixed-term					
Option 1	0	0	х	х	x	х	х
Reason	 Civil servant, Military/Police are excluded because they bound to laws on civil servant. 						
Option 2	0	0	0	0	0	0	Х
Reason	 All workers have equal rights as long as they contribute. Except workers who voluntarily resign from work, passed away and retired. 						

2. BENEFIT LEVEL

Option 1	50% of previous salary, up to 8 million rupah.
Reason	 According to ILO C168 To eliminate wages disparity.
Option 2	 100% of local minimum wages for 1-3 months. 75% 4-6 months 50% 7-12 months Minimum contribution period of 3 months.
Reason	 Many employers are applying 3 months probation period and PKWT below 12 months.

3. BENEFIT DURATION



4. EXCLUSION OF VOLUNTARY UNEMPLOYMENT

	Longer waiting period	Shorter duration	Lower benefit	No benefit	
Option 1			Ο		
Reason	Receive training and other benefits, except cash.				
Option 2					
Reason					

5. INCENTIVE FOR EARLY REEMPLOYMENT

Option 1	 50% of remaining benefits Can be accumulated if involuntary unemployed again.
Reason	
Option 2	
Reason	

6. AGE AFFECTS BENEFITS?

	Higher benefits for older persons	Longer benefits for older persons	No impact
Option 1			
Reason			
Option 2			
Reason			

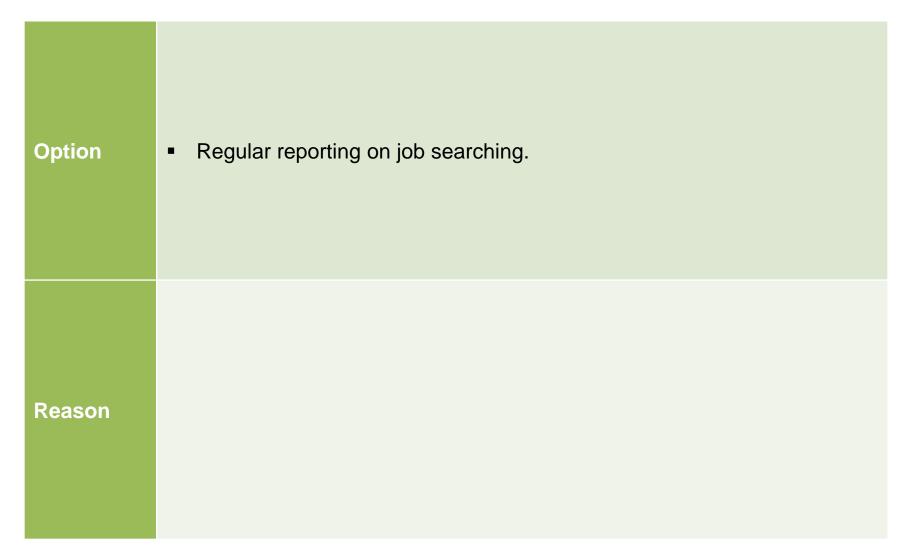
7. YEARS OF CONTRIBUTION AFFECTS BENEFITS?

	Higher benefits for longer contribution	Longer benefits for longer contribution	Higher frequency for longer contribution	No impact
Option 1	Ο			
Reason				
Option 2				
Reason				

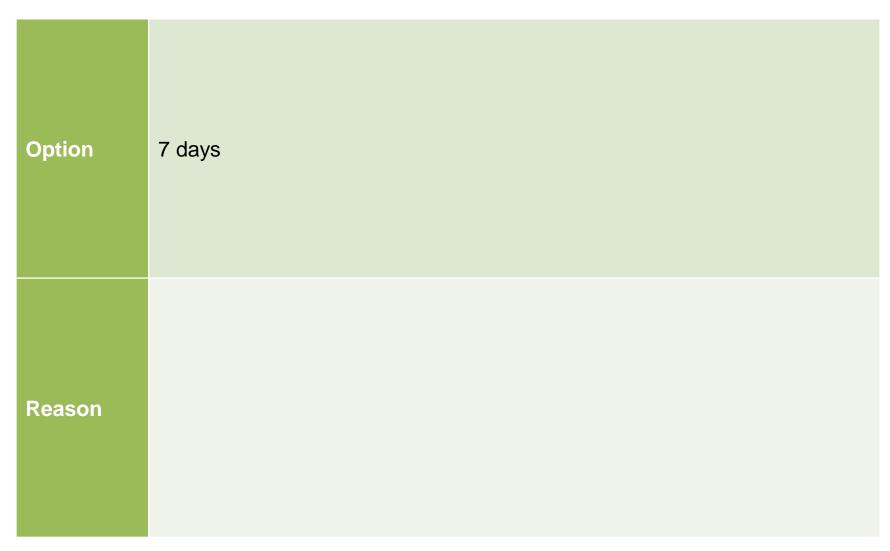
8. QUALIFYING CONDITION

Option	 Involuntary unemployment Acceptable criminal cases only (with agreed criteria). Decision based on agreement with TU. Minimum contribution of 12 months.
Reason	
Option	Include voluntary unemploymentMinimum contribution of 3 months.
Reason	 Unemployed workers are considered helpless, therefore need assistance. Want to give maximum support. To avoid probation period.

9. CONTINUATION OF BENEFITS



10. WAITING PERIOD



11. SEVERANCE PAY AFFECTS BENEFITS?

	Reduce UB	Delay UB	No impact on UB	
Option	Х	Ο	Х	
Reason	 Workers are willing to contribute provided that employers increase their contribution and government is also contributing. The program does not disrupt other schemes. Calculation on the amount of benefit for unemployment can be considered. 			

12. CONTRIBUTION (BENEFIT)

	Employee	Employer	Government	Other than UB
Option	O 1	O 2	O 3	Ο
Reason	 Workers and employers agreed to contribute with the composition of 1:2:3 for workers, employers and government. Government can contribute other than dues. It is in response to current condition, for the interest of all. Because it can provide protection for workers The method is insurance based. 			

ALMP

- Strive to return umeployed workers back to work within 6 months.
- Availability of integrated services of tripartite constituents and BPJS at provincial and district/city levels.
- To conduct verification of both voluntary and involuntary unemployment claims.
- Counselling service.
- Labour market information, including online base.
- Employers to be actively share vacancy announcements.
- Training is focusing on up skilling, but also subject to needs/preferences.
- Government subsidy for vocational training.
- Those who want to become entrepreneurs also supported.
- Administration agency should involve tripartite representatives.
- Government to provide public employment service (ALMP)

Institusional

- TU: Want to have new institution with tripartite representation at district/city levels.
- Government: Can use existing institution, but need capacity enhancement with collaboration between BPJS and Manpower Offices in each province/district. Employers and workers must report every termination of employment to the Offices for easier verification and claim for unemployed workers.
- The difference is in verification, which is done by tripartite representatives as a balanced control function.
- For transparency, TU should also report any termination of employment of its members.

SUGGESTION

Suggestion from TU:

- Government can make really fair regulation in terms of duration. It is hoped that contribution period is 3 months, not one year.
- The program shoul have transitional period to ensure readiness of the institutions and avoid the system not being able to cover claim from unemployed workers when implemented.
- Send this discussion draft before submission to government.

Thank you

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