PROGRESS IN EXTENDING SOCIAL SECURITY IN INDONESIA

MoM - INDONESIA
Social Security is the right of each citizen

Indonesia Constitution 1945
EMPLOYMENT STRUCTURE

- Working Age Population: 187,58
- Labor Force: 127,67
- Non-Labor Force: 59,91
- Working population: 120,65
- Unemployment: 7,02
BASIC PHILOSOPHY

CREATING GOOD WORKING CLIMATE / ATMOSPHERE

ENSURING SOCIAL WELFARE FOR WORKERS AND THEIR FAMILY

CREATING POSITIVE CLIMATE / ATMOSPHERE FOR BUSINESS

IMPROVEMENT OF WORKING DISCIPLINE AND LABOUR PRODUCTIVITY
NATIONAL SOCIAL SECURITY SYSTEM

Goal:
Ensuring compliance of decent life needs for the members and their family

PRINCIPLES OF IMPLEMENTATION

- Social Insurance
- Mandatory Savings

- Mutual Cooperation
- Non Profit Oriented
- Openness
- Prudential
- Accountability
- Portability
- Mandatory Membership
- Deposit Funds

Profit gain of Social Security Fund management will be fully spent to develop the program and to meet sufficient needs of participants.
## COMPOSITION OF CONTRIBUTION

<table>
<thead>
<tr>
<th>Program</th>
<th>Contribution Composition</th>
<th>Total</th>
<th>Contribution Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employers</td>
<td>Workers</td>
<td></td>
</tr>
<tr>
<td><strong>EMPLOYMENT SOCIAL SECURITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Occupational Accident Security Scheme (OASS)</td>
<td>0,24% - 1,74%</td>
<td>-</td>
<td>0,24% - 1,74%</td>
</tr>
<tr>
<td>b. Health Security Scheme (HSS)</td>
<td>0,3%</td>
<td>-</td>
<td>0,3%</td>
</tr>
<tr>
<td>c. Old Age Security Scheme (OldAgeSS)</td>
<td>3,7%</td>
<td>2%</td>
<td>5,7%</td>
</tr>
<tr>
<td>d. Pension Security Scheme (PSS)</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>HEALTH SECURITY SCHEME</strong></td>
<td></td>
<td></td>
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<tr>
<td>e. National Health Security Scheme (NHSS)</td>
<td>4%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,24% - 11,74%</td>
<td>4%</td>
<td>14,24% - 15,74%</td>
</tr>
</tbody>
</table>
STRATEGIC TARGET

MEMBERSHIP
- Coverage Expansion
- Social Awareness
- Education
- Advocation

CONTRIBUTION
- Self Funding & Continuity
- Periodical Evaluation

REGULATION
- Increasing Compliance & Law Enforcement
- Harmonization & Synchronization

BENEFIT
- Distribution

GOOD MANAGEMENT
- Transparancy
- Service
Encouraging the growth of the labor market

Reducing unemployment

Provide protection & welfare for workers

Reducing poverty

As stabilizer development of the country
CHALLENGES

WORKING RELATIONSHIP

- Working agreement for contract workers
- Working agreement for permanent workers

UNEMPLOYMENT

- Termination
- Resign

COMPENSATION

- Severance pay
- Social security
Gives impact on ineffectiveness & unoptimal of social security membership.

Is in deed “a final decision” made by company.

To provide assistance to workers during their period of unemployment & waiting for new job because Indonesia don’t prepare yet Unemployment Insurance.
INNITIATIVES

1. Development of information technology infrastructure & data integration

2. Extension of membership/participant from collective base to retail base for small and micro business scale

3. Strengthening institutional cooperation

4. Extension of coverage and number of distribution channels

5. Optimization of both internal & external communication function
PROGRESS & CONTRIBUTION

PUBLIC PRIORITY PROGRAM
- Elimination of poverty and inequality / inequity

INCREASED NUMBER OF PARTICIPANTS
- Needs for social welfare & protection

STRENGTHENING OF INVESTMENT
- Benefit of Additional Services

CHANGE / ALTERATION OF SERVICES
- Customers needs oriented under modern partnership principle

IMPROVEMENT OF PARTNERSHIP CAPACITY
- Contribution of PPP

CONTRIBUTOR TO GLOBAL DEVELOPMENT
- Comparative Advantage

REVITALIZATION & MOBILIZATION
- Technical and financial resources

PUBLIC PRIORITY PROGRAM
- Elimination of poverty and inequality / inequity
Thank You

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