

## Indonesia

Exchange rate: US\$1.00 equals 9,100 rupiah (Rp).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1977.

**Current law:** 1992 (employees' social security).

**Type of program:** Provident fund and social insurance system.

#### Coverage

Establishments with 10 or more employees or a monthly payroll of Rp1 million or more. Employees with contracts of less than 3 months are covered for social insurance death benefits only.

Exclusions: Self-employed persons.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including family labor, fishermen, and employees of rural cooperatives.

Special systems for public-sector employees and military personnel.

#### Source of Funds

##### Insured person

**Provident fund:** 2% of gross monthly earnings.

**Social insurance:** None.

**Self-employed person:** Not applicable.

##### Employer

**Provident fund:** 3.7% of monthly payroll.

**Social insurance:** 0.3% of monthly payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit (provident fund):** Age 55 (men and women). Retirement from employment is not required.

**Deferred old-age benefit:** Any age after age 55. Employment must cease.

**Drawdown payments:** At any age if emigrating permanently, if starting work as a public employee or beginning military service, or if unemployed for at least 6 months after at least 5 years of fund membership.

**Disability benefit (provident fund):** Younger than age 55 with a total permanent incapacity for work as a result of a work injury. A medical doctor must certify the incapacity.

**Survivor benefit (provident fund):** The provident fund member was younger than age 55 at the time of death. The benefit is payable to the spouse and, in the absence of spouse, to dependent children.

**Death grant and funeral grant (social insurance):** Payable for the death of the insured.

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus accrued interest; optionally, a periodic pension is payable to members with more than Rp50 million in their provident fund account.

**Drawdown payments:** The maximum payment is a lump sum equal to total employee and employer provident fund contributions plus accrued interest.

#### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus accrued interest; optionally, a periodic pension is payable to members with more than Rp50 million in their provident fund account.

#### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum equal to total employee and employer provident fund contributions plus accrued interest; optionally, eligible survivor(s) may receive a periodic pension if the deceased had more than Rp50 million in his or her provident fund account.

If the deceased was receiving a periodic pension, the survivor benefit equals the total employee and employer provident fund contributions plus accrued interest minus the amounts already paid to the deceased member.

**Death grant and funeral grant (social insurance):** A lump-sum death grant of Rp5 million and a lump-sum funeral grant of Rp1 million.

Eligible survivors (in order of priority) are the spouse, children, parents, grandchildren, grandparents, siblings, or parents-in-law. In the absence of eligible survivors, the benefits are payable to a person named by the deceased; in the absence of a named survivor, only the funeral benefit is payable to the person who pays for the funeral.

**Benefit adjustment:** Social insurance benefits are adjusted every 2 years.

#### Administrative Organization

Ministry of Manpower and Transmigration (<http://www.nakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) manages the contribution and benefit administration and the investment of funds.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1957.

**Current law:** 1992 (employees' social security).

**Type of Program:** Social insurance system. Medical benefits only.

### Coverage

Establishments with 10 or more employees or a monthly payroll of Rp1 million or more.

Exclusions: Employees whose employer provides benefits that are more comprehensive than those provided by the Jamsostek program; employees with labor contracts of less than 3 months; and self-employed persons.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including family labor, fishermen, and employees of rural cooperatives.

Special system for civil servants, civil service pensioners, military and police pensioners, veterans, national independence pioneers, and for their respective dependents up to age 25.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** 3% of monthly payroll for single employees; 6% for married employees.

The maximum monthly earnings for contribution purposes are Rp1 million.

**Government:** None.

### Qualifying Conditions

**Cash sickness and maternity benefits:** No benefits are provided.

**Medical benefits:** Currently covered.

### Sickness and Maternity Benefits

**Cash sickness and maternity benefits:** No benefits are provided.

### Workers' Medical Benefits

Services are provided by contracted providers from the public and private sectors. Insured persons must register with a contracted primary care provider. Access to specialist and inpatient care is provided after a doctor's referral (except for emergencies). Medical benefits include primary and specialist outpatient care, hospitalization, medicines, emergency care, dental care, and eye care.

The cost of maternity care for up to three children, up to a maximum of Rp150,000 each.

The maximum limit on duration for inpatient care is 60 days a year.

### Dependents' Medical Benefits

Same as for the insured.

Eligible dependents are the dependent spouse and up to three dependent children (not married and not employed) younger than age 21.

### Administrative Organization

Minister of Manpower and Transmigration (<http://www.nakertrans.go.id>) provides general supervision and grants exemption to employers providing benefits that are more comprehensive than those provided by the Jamsostek program.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) collects contributions and contracts with health care providers for the provision of medical benefits.

## Work Injury

### Regulatory Framework

**First law:** 1951 (workmen's compensation).

**Current law:** 1992 (employees' social security).

**Type of program:** Social insurance system.

### Coverage

Establishments with 10 or more employees or a monthly payroll of Rp1 million or more.

Exclusions: Self-employed persons, family labor, fishermen, and employees of rural cooperatives.

Coverage is being extended gradually to employees of smaller establishments and to organized informal-sector workers, including family labor, fishermen, and employees of rural cooperatives.

Special system for public-sector employees.

Employers not covered by the law must provide similar benefits to their employees.

### Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** Total cost; contributions vary between 0.24% and 1.74% of monthly payroll according to five classes of business activity risk (class I, 0.24% of monthly payroll; class II, 0.54%; class III, 0.89%; class IV, 1.27%; or class V, 1.74%).

**Government:** None.

### **Qualifying Conditions**

**Work injury benefit:** Partial or total disability before age 55. There is no minimum qualifying period.

### **Temporary Disability Benefits**

A monthly benefit of 100% of the insured's wage in the month before the onset of disability for the first 4 months; 75% for the next 4 months; thereafter, 50% until rehabilitation or the determination of permanent disability.

Based on a health examination by a medical doctor, the degree of disability is assessed by Jamsostek.

### **Permanent Disability Benefits**

A lump sum equal to 49 months of the insured's wage in the month before the onset of disability, plus a monthly benefit of Rp50,000 paid for 24 months.

Partial disability: A lump sum equal to 70 months of the insured's wage in the month before the onset of disability times the assessed degree of disability according to the schedule in law.

Based on an examination by a medical doctor, the degree of disability is assessed by Jamsostek.

### **Workers' Medical Benefits**

Medical benefits include medical treatment, hospital care, dental and eye care, and prostheses.

The maximum limit on the cost of medical treatment and hospital expenses is Rp6,400,000 per accident.

Transportation costs from the place of the accident to the hospital are provided up to a maximum of Rp400,000, depending on the method of transport used.

### **Survivor Benefits**

**Survivor benefit:** A lump sum equal to 42 months of the deceased's wage in the month before death, plus a monthly benefit of Rp50,000 paid for 24 months.

Eligible survivors (in order of priority) are the spouse, children, parents, grandchildren, grandparents, siblings, or parents-in-law. In the absence of eligible survivors, the benefits are payable to a person named by the deceased; in the absence of a named survivor, only the funeral grant is payable to the person who pays for the funeral.

**Funeral grant:** Rp1 million is payable to the survivor eligible for the survivor benefit; in the absence of an eligible survivor, the grant is payable to the person who pays for the funeral.

### **Administrative Organization**

Minister of Manpower and Transmigration (<http://www.nakertrans.go.id>) provides general supervision.

Employees Social Security System (Jamsostek) (<http://www.jamsostek.co.id>) administers contributions and benefits and contracts with health care providers for the provision of medical services.