

## Indonesia

Exchange rate: US\$1.00 = 9,000 rupiah.

### 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

Employees of establishments with 10 or more employees or a monthly payroll of at least 1 million rupiah. Employees with contracts of less than 3 months are covered for social insurance death benefits only.

Voluntary coverage for self-employed persons.

Coverage is being extended 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

*Provident fund:* At least 2% of gross monthly declared earnings.

*Social insurance:* 1% of gross monthly declared earnings.

##### 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.

The benefit may be deferred. There is no maximum age for deferral.

**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 or older than age 55 and receiving a periodic pension at the time of death. The benefit is paid to the spouse or, in the absence of a spouse, to dependent children.

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

#### Old-Age Benefits

**Old-age benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus accrued interest is paid; optionally, a periodic pension is paid to members with more than 50 million rupiah in their provident fund account.

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

#### Permanent Disability Benefits

**Disability benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus accrued interest is paid; optionally, a periodic pension is paid to members with more than 50 million rupiah in their provident fund account.

#### Survivor Benefits

**Survivor benefit (provident fund):** A lump sum of total employee and employer provident fund contributions plus accrued interest is paid; optionally, eligible survivor(s) may receive a periodic pension if the deceased had more than 50 million rupiah in his or her provident fund account.

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

**Death grant and funeral grant (social insurance):** A lump-sum death grant of 5 million rupiah and a lump-sum funeral grant of 1 million rupiah are paid.

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 benefit is paid to a person named by the deceased; in the absence of a named survivor, only the funeral benefit is paid 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>) collects contributions, administers benefits, and manages 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**

Employees of establishments with 10 or more employees or a monthly payroll of at least 1 million rupiah.

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

Voluntary coverage for self-employed persons.

Coverage is being extended 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:** 3% of monthly declared earnings for single employees; 6% for married employees.

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

The maximum monthly earnings used to calculate contributions are 1 million rupiah.

**Government:** None.

### **Qualifying Conditions**

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

**Medical benefits:** Must be currently covered.

## **Sickness and Maternity Benefits**

**Sickness benefit:** No benefits are provided.

**Maternity benefit:** No benefits are provided.

### **Workers' Medical Benefits**

Medical benefits include primary and specialist outpatient care, hospitalization, medicine, and emergency, dental and eye care. Eyeglasses, hearing aids, and prostheses are reimbursed, up to a maximum.

Insured persons must register with a primary care provider who is under contract with Jamsostek. A doctor's referral is required for access to specialist and inpatient care (except for emergencies).

The cost of maternity care for up to three children, up to 500,000 rupiah each.

Inpatient care is provided for up to 60 days a year.

Specialist care is provided.

### **Dependents' Medical Benefits**

Medical benefits include primary and specialist outpatient care; hospitalization; medicine; and emergency, dental, and eye care. Eyeglasses, hearing aids, and prostheses are reimbursed, up to a maximum.

Insured persons must register with a primary care provider who is under contract with Jamsostek. A doctor's referral is required for access to specialist and inpatient care (except for emergencies).

The cost of maternity care for up to three children, up to 500,000 rupiahs each.

Inpatient care is provided for up to 60 days a year.

Eligible dependents are the dependent spouse and up to three dependent children (unmarried and unemployed) younger than age 21.

### **Administrative Organization**

Ministry 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 medical benefits.

Public and private sector contractors provide medical services.

## **Work Injury**

### **Regulatory Framework**

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

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

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

### **Coverage**

Employees of establishments with 10 or more employees or a monthly payroll of at least 1 million rupiah.

Voluntary coverage for self-employed persons.

Coverage is being extended 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.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 1% of monthly declared earnings.

**Employer:** The total cost; contributions vary according to five classes of risk: 0.24% of monthly payroll (class I); 0.54% (class II); 0.89% (class III); 1.27% (class IV); or 1.74% (class V).

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** Must be assessed with a partial or total disability before age 55. There is no minimum qualifying period.

### **Temporary Disability Benefits**

The monthly benefit is 100% of the insured's wage in the month before the disability began and is paid for the first 4 months; 75% for the next 4 months; 50% thereafter until rehabilitation or the determination of permanent disability.

The degree of disability is assessed by Jamsostek, based on a health examination by a medical doctor.

### **Permanent Disability Benefits**

**Permanent disability benefit:** A lump sum is paid of 70% of 80 months of the insured's wage in the month before the disability began, plus a monthly benefit of 200,000 rupiah for 24 months.

**Partial disability:** A lump sum is paid of 80 months of the insured's wage in the month before the disability began multiplied by the assessed degree of disability according to a schedule in law.

The degree of disability is assessed by Jamsostek, based on an examination by a medical doctor.

### **Workers' Medical Benefits**

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

The maximum cost of medical treatment and hospital expenses is 12,000,000 rupiah per accident.

Transportation costs from the place of the accident to the hospital are provided up to 1,500,000 rupiah depending on the method of transport used.

### **Survivor Benefits**

**Survivor benefit:** A lump sum is paid of 60% of 80 months of the deceased's wage in the month before death, plus a monthly benefit of 200,000 rupiah for 24 months.

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

**Funeral grant:** A death grant of 10 million rupiah and a funeral grant of 2 million rupiah are paid to the survivor eligible for the survivor benefit; in the absence of an eligible survivor, the funeral grant is paid to the person who pays for the funeral.

### **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>) collects contributions, administers benefits, and contracts with health care providers for medical services.