



Government of Indonesia's Response to Covid-19

► Analysis of ILO's Bureau for Workers' Activities (ACTRAV) - 6 April 2020¹

Decisions adopted regarding COVID-19: The first stimulus package is worth US\$725 million. The second is worth US\$8 billion

Citizens

- **Universal Guarantee:** 15.2 million poor households will receive a 30% of subsidy increase for basic needs for a six-month period.
- **Food subsidies for poor households:** as part of the Affordable Food Programme.
- **Housing subsidies** to cover 175,000 new homes.

Dependent Workers

- **Income tax exemption:** Workers in the manufacturing sector may claim for an income tax exemption for a six-month period.
- **Temporary cease of business:** Employers can cease their business activities temporarily. During the temporary cease of business activities, the employer can instruct all employees to stay at home. When implementing this measure, unless the employees (or the labor union, if there is one) agree on a different

arrangement, the employer must continue paying the salary and other benefits.

- **Working from home:** Employers can ask their employees to "workfrom-home". In this regard, the office may be entirely closed or partially closed. Similar to the temporary cease of business, the employer must continue to pay the salary and benefits, unless the employees (or the labour union) agree on a different arrangement.
- **Taking leave:** In general, employers cannot force their employees to take annual leave or unpaid leave. Employees will need to agree to take annual leave or unpaid leave. However, in light of the Covid-19, in certain circumstances described below, the employer can require its employees to not come to work.
 - (a) If an employee is declared as a Person Under Monitoring (Orang Dalam Pemantauan or ODP) pursuant to a medical certificate, the employer must allow the employee to not come to work for 14 days or the number of days recommended by the Ministry of Health at the relevant time.
 - (b) If an employee is declared as a Patient Under Surveillance (Pasien Dalam Pengawasan or PDP), the employee will be entitled to the sick leave at the normal salary rate applicable for an employee who is absent due to illness, i.e.:
 - first 4 months of illness : 100%
 - second 4 months of illness : 75%
 - third 4 months of illness : 50%
 - each subsequent month of illness : 25%²



Caption: paramedics.kabar24bisnis.com

¹ Information provided by Pong Sul

² https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_740917.pdf

Enterprises

- **Corporate income-tax reduction:** Businesses in 19 selected manufacturing industries may claim for an income-tax reduction equal to 30% in the next 6 months. During the same period, VAT refund will be relaxed and import-tax payments will be deferred. - **Loans for SMEs:** SMEs may claim for a loan up to 10 billion rupiah (US\$655,000) if they have a good credit history and have the capacity to pay back the loan.
- **Economic support to businesses in the tourism sector:** 98.5 billion rupiah (US\$6 million) have been allocated for airlines and travel agencies, 103 billion rupiah (US\$7.1 million) towards tourism marketing and promotions, and an estimated 72 billion (US\$5 million) for social media influencers to promote the country's tourist hotspots. Restaurants and hotels are also entitled to a government subsidy for the taxes owed to regional governments for a period up to six months.

Salary rate for whos declared as a Patient Under Surveillance



Caption: workers preparing medical equipment at the hospital for corona patients. beritasatu.com

▶ **100%**

first 4 months of illness

▶ **75%**

second 4 months of illness

▶ **50%**

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▶ **25%**

each subsequent month of illness

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