



International
Labour
Organization



Overview of Major Social Security Legislation



Law No. 13 of 2003 regarding Manpower Affairs (the Labour Law) defines manpower as “every individual or person who is able to work in order to produce goods and/or services either to fulfil his or her own needs or to fulfil the needs of society” (Article 1, paragraph 2).

Stipulations on social security appear inter alia in Chapter X regarding Protection, Wages and Welfare, in which paragraph 1 of Article 86 states that “Every worker has the right to receive protection on: a) Occupational safety and health;...” while Article 99 states that “every worker and his/her family is entitled to social security” (paragraph 1) and that “The social security as mentioned under paragraph 1 shall be administered in accordance with the prevailing laws and regulations” (paragraph 2).

Other relevant provisions include: a) Article 153 regarding prohibitions on the termination of employment associated with absence from work due to, among other causes, illness (up to 12 months consecutively), pregnancy, childbirth or breastfeeding, disability or illness as a result of occupational injury; b) Article 156 regarding severance payments; c) Article 166 regarding survivor’s benefit for deceased workers; and d) Article 167 regarding termination of employment for workers entering retirement age.

The provision of social security for various sectors and categories of the population, and the types of benefits offered, are governed by various laws, government regulations and ministerial regulations and decrees. The major legislation is described below.

Social Security by Emploment Category



Law No. 3 of 1992 concerning Employees' Social Security

- ♦ The social security law currently in force is Law No. 3 of 1992 concerning Employees' Social Security. The law is mainly applicable to formal workers in the private sector, though it (loosely) accommodates social security provision for informal workers.
- ♦ In this law, "Employees' social security is a means of protection for workers in the form of financial compensation for a part of lost or reduced income and services due to circumstances or conditions in which a worker experiences occupational injury, illness, pregnancy, childbirth, old age or death" (Article 1, paragraph 1) and "Employee refers to any person who is able to work either in or outside an employment relationship, in order to produce goods or services to fulfil the needs of the society" (Article 1, paragraph 2).
- ♦ In Article 3, paragraph 2, the law states that "Every worker has the right to employees' social security". However, it explicitly stipulates mandatory participation for formal sector workers or "workers performing work in a employment relationship" (Article 4, paragraph 1) while the labour social security program for informal workers or "workers doing work outside the employment relationship" will be regulated further by a government regulation.
- ♦ The employees' social security program covers a) Occupational Injury Benefit; b) Survivor Benefit; c) Old Age Benefit; and d) Health Care Benefit (Article 6). The provisions for each of these will be described below.

Government Regulation No. 14 of 1993 regarding the Implementation of the Employees' Social Security Program

Government Regulation No. 14 of 1993 regarding the Implementation of the Employees' Social Security Program serves as an elaboration of Law No. 3 of 2009, particularly for formal private sector workers, as it regulates enterprises employing 10 or more workers and paying wages of IDR 1,000,000 or more per month. The employees' social security program as stipulated in this government regulation covers occupational injury benefit, survivors' benefit and old age benefit in the form of cash benefits, as well as health care benefit in the form of services (Article 2, paragraph 1), the implementation of which is managed by an administering body (Article 2, paragraph 2).

The schemes are managed by PT Jamsostek as the administering body. The regulation stipulates that participation in Jamsostek's occupational injury, old age and death

I.1. Social Security for the Private Sector

benefits programs is obligatory, while Jamsostek's health insurance scheme allows employers to opt out so long as they provide other health insurance with better benefits.

"Employers who employ 10 (ten) workers or more, or paying wages of IDR 1,000,000 (one million rupiah) or more per month, are obliged to enroll their workers in the employees' social security program as stipulated in paragraph 1" (Article 2, paragraph 3). "Employers who provide health care programs for their employees, which benefit exceeds the benefit of the health care program laid out in this government regulation, are not obliged to enrol in the health care program managed by the administering body" (Article 2, paragraph 4).

Regarding the informal sector, "Social security program membership for daily casual workers and contract workers shall be further governed by the Minister" (Article 3).

Based on the above, the Ministry of Manpower and Transmigration issued Ministerial Regulation No. 24 of 2006 regarding the Implementation Guidelines for the Social Security Program for Workers Outside an Employment Relationship [informal workers]. With this regulation, a pilot project offering the Jamsostek social security program to informal workers was launched. Workers outside employment relationships can voluntarily participate in this program, which is similar to the schemes for formal sector workers.

Workers outside employment relationships, the target of this program, are defined as "workers who perform work or businesses at their own risk" (Chapter I, Section E, paragraph 2). "Participants are workers outside an employment relationship who pay contributions" (Chapter I, Section E, paragraph 3). "The administering body of the employees' social security for workers outside an employment relationship is PT Jamsostek" (Chapter II, Section B).

"The types of social security as stipulated in Law No. 3 of 1992 regarding Employees' Social Security consist of: 1) Occupational Injury Benefit; 2) Survivors' Benefit; 3) Old Age Benefit; 4) Health Insurance Benefit" (Chapter 3, Section B). However, while these programs are all obligatory for all formal sector workers, "Workers outside an employment relationship can participate in all or some of the social security programs according to the ability and need of the participant" (Chapter III, Section B). Contributions for the program are calculated based on a percentage of a certain nominal amount, which should be at least the amount of the regional/provincial minimum wage. In all the programs, contributions are borne entirely by the participant (Chapter III, Section D). The nominal amount that forms the basis for the calculation is determined based on the range of income provided in Annex 1 of the regulation.

Another scheme that targets informal workers is the ASKESOS (*Asuransi Kesejahteraan Sosial* or Social Welfare Insurance) program. Pursuant to **Decree of the Minister of Social Affairs No. 51 of 2003 regarding Social Security Programs for Poor and Vulnerable People**, ASKESOS is managed and subsidised by the Ministry of Social Affairs and is intended specifically for poor informal workers. It is an income replacement scheme that provides small, one-off cash benefits to members in case of sickness, accident or death.

The implementation guidelines are provided in the **Decree of the Minister of Social Affairs No. 63 of 2003 concerning the Implementation of Social Welfare Insurance for Vulnerable People**. According to the guidelines, ASKESOS is intended to provide social protection against risks of declining welfare due to death, illness or

accident suffered by the breadwinner. The target group of the program is informal and self-employed workers such as those providing transportation services (rickshaw and motorcycle taxi drivers), small vendors, farmers and fishermen/women, with a minimum income of IDR 200,000. Though the program targets poor and vulnerable groups, an upper income level is not mentioned.

Membership in the Askesos program is not binding and members can sign in and out at any time. In 2010, the Askesos scheme had 280,800 members nationwide (Pelita newspaper, quoting the Secretary General of the Ministry of Social Affairs). Compared to over 60 million workers in the informal sector, the number is very small.

Law No. 8 of 1974 regarding the Public Service Employees Act and Law No. 43 of 1999 regarding the Amendment of Law No. 8 of 1974 contain stipulations concerning social security for public service employees, who comprise civil servants, members of the armed forces and members of the police force. Social security benefits are present in the “civil servants’ welfare program” provision (Article 32, paragraph 2). Benefits received by civil servants include “pension, old age savings, health insurance, housing savings, and education insurance for their children” (Article 32, paragraph 2). “Civil servants are obliged to pay contributions to the programs referred to in paragraph 2” (Article 32, paragraph 3). “For the pension and health insurance schemes, the government shall pay subsidies and contributions” (Article 32, paragraph 4), the amount of which is regulated by a government regulation (Article 32, paragraph 5). “In the event of the death of a civil servant, his or her family is entitled to assistance [benefit]” (Article 32, paragraph 6).

Government Regulation No. 69 of 1991 regarding Health Care for Civil Servants, Pensioners [retired civil servants and armed forces personnel], Veterans, Freedom Fighters and their Dependents regulates the health insurance program provided to the above mentioned categories under the management of PT Askes as the administering body, while **Government Regulation No. 28 of 2003 regarding Government Subsidies and Contributions to Civil Servants’ Health Insurance** specifies the amount and mechanism for government contributions to the Askes Program. Active military and police personnel are provided with in-house health care, through special military hospitals.

Law No. 11 of 1969 regarding Pensions for Employees [Civil Servant] and Employees’ Widows/Widowers regulates old age benefits for civil servants. **Government Regulation No. 25 of 1981 regarding Civil Servant Social Insurance** regulates the provision of pension and old age savings program for “all civil servants, excluding civil servants in the Ministry of Defence” (Article 2, paragraph 1). Civil servants in the Ministry of Defence are enrolled in the pension program for members of the military.

Law No. 67 of 1991 regarding Armed Forces Social Insurance regulates the Indonesian Armed Forces Social Security (Asuransi Sosial Angkatan Bersenjata Republik Indonesia–ASABRI), administered by a state-owned enterprise called PT Asabri. “ASABRI is social security for members of the Armed Forces and civil servants in the Ministry of Defence, which provides protection against the risk of a reduction or loss of income, which is organized as a compulsory program in accordance with the prevailing laws and regulations” (Article 1, paragraph 4).

I.2 Social Security for Civil Servants and Armed Forces Personnel

I.3 Social Security for the Poor and Vulnerable

Law No. 11 of 2009 regarding Social Welfare governs social security programs for the poor and vulnerable. The law stipulates that “the state is responsible for social welfare provision” (Article 4), and that “the social welfare program prioritizes people who are unable to attain a decent living and have social issues characterized as: a) poverty; b) abandonment; c) disability; d) exclusion; e) social deviance; f) victims of disaster; and g) victims of violence, exploitation and discrimination (Article 5, paragraph 2).

“Social welfare as referred to in this law includes: a) social rehabilitation; b) social security; c) social empowerment; and d) social protection” (Article 6).

According to Article 9, social security is provided to:

- a) the poor, orphans or abandoned children, the elderly, physically or mentally disabled people and people with chronic illnesses, in order to fulfil their basic needs. These groups are provided with social welfare insurance and direct transfers.
- b) veterans, national heroes and their families as an expression of appreciation for their services. This group is provided with allowances.

Social welfare insurance, the contributions for which are paid by the government, is provided to protect citizens who are not capable of paying insurance premiums so that they can maintain their social welfare coverage (Article 10).

Social empowerment is provided in the form of training, business capital and equipment, access to the market, social advocacy, guidance, and so on (Article 12). Social protection is intended to prevent and mitigate the risk of shocks and vulnerability, in order to maintain the minimum basic needs (Article 14, paragraph 1). This protection is provided through social assistance, social advocacy and/or legal assistance (Article 14, paragraph 2).

Schemes that are provided on the basis of this law include Jamkesmas (Health Insurance for the Poor), Jampersal (Universal Delivery Care), Askesos (Social Welfare Insurance for Informal Workers), JSLU (Cash Transfers for the Vulnerable Elderly), and JSPACA (Cash Transfers for Severely Disabled People).

Law No. 4 of 1997 regarding Disabled Persons contains provisions regarding rights, obligations and equal opportunities for disabled persons, as well as government and society’s measures to provide rehabilitation, social assistance and social welfare maintenance for disabled persons. In this law, social assistance and social welfare maintenance specifically target disabled persons who are poor. Social assistance is temporary support in the form of material and financial assistance, facilities and information that are provided to disabled persons who are able or have the potential to work. Social welfare maintenance is protection and services provided to disabled persons who cannot be rehabilitated and are dependent on other people’s assistance to perform their daily activities. **Government Regulation No. 43 of 1998 regarding Measures to Improve Social Welfare for Disabled Persons** further governs the provisions on equal opportunities, rehabilitation, social assistance and social welfare maintenance for disabled persons.

Amendment of the Constitution and Law No. 40 of 2004 regarding Social Security

Efforts to arrive at a comprehensive and universal social protection system are marked by two important milestones in social protection policy in Indonesia: the amendment of the 1945 Constitution regarding the extension of social security to the entire population and the enactment of the National Social Security System Law (*Sistem Jaminan Sosial Nasional/SJSN law*).

In 2002 the **Government of Indonesia amended the Constitution regarding social security**. Article 28 H, Subsection 3 states: "Every person shall have the right to social security in order to develop him or herself as a dignified human being," and Article 34, Subsection 2, states: "The state shall develop a social security system for all the people and shall empower the vulnerable and poor people in accordance with human dignity".

Law No. 40 of 2004 regarding the National Social Security System (*Sistem Jaminan Sosial Nasional/SJSN*) is designed to create a social security system that covers the entire population. Under the general provisions of this law, paragraph 1 of Article 1 defines social security as "a form of social protection to ensure that all people are able to provide for their minimum basic needs," whereas Article 2 states that "The National Social Security System is administered on the basis of the principles of humanitarianism, benefit, and social justice for all people of Indonesia". Participants are "all people, including foreign nationals who have worked for at least 6 months in Indonesia, who have paid a contribution" (Article 1, paragraph 8).

The National Social Security System, according to this law, shall consist of five social security programs covering a) health insurance; b) occupational injury insurance; c) old age benefit; d) pension benefit; and e) survivor's benefit.

The law outlines the basic structure of the reformed social security system, but does not specify details. Major strategic policy options, amounts of benefits, and contribution rates still need to be determined by regulations. Of the five benefit programs mentioned in the law, only the health insurance scheme has clearly stated schemes for all the population (formal workers, informal workers and the poor). Prescriptions on contribution schemes for work injuries, old age savings and life insurance are only applicable for workers (both formal and informal), and the stipulations on contributory pensions only refer to contribution schemes for formal sector workers.

The management of social security funds shall be administered by 'social security administering bodies' (Article 47). These are the four existing social security bodies, i.e. PT. Jamsostek (the state-owned enterprise that manages social security schemes for private sector workers); PT Taspen (the state-owned enterprise that manages civil servants' savings and pension schemes); PT Asabri (the state-owned enterprise that manages social security schemes for members of the armed forces); and PT Askes (the state-owned enterprise that manages health insurance for civil servants, pensioners and veterans, and their dependents). If necessary, additional social security administering bodies may be established (Article 5, paragraphs 3 and 4).

The law provides for the creation of a National Social Security Board (also known as the SJSN Council) as the policy-making body responsible for designing the necessary policies and synchronising the implementation of the national social security system (Articles 6 and 7). The law also mandates, in paragraph 2 of Article 52, that implementation regulations are to be drafted, ratified and implemented by

no later than 18 October 2009. Unfortunately the deadline has not been met and the government has not fulfilled this mandate. Discussions are still taking place in the political arena about the exact role and the possible conversion of the four existing social security institutions (PT Askes, PT Jamsostek, PT. Asabri and PT. Taspen) in the new system. These have not been made clear to date. At time of writing this report, since the required government regulations have not been issued, the National Social Security System (SJSN) Law has not been implemented. Until the system proposed by the SJSN law is implemented, Indonesia does not have a comprehensive social security system.

Benefit Categories



II.1 Health/ Medical Care

Law No. 36 of 2009 regarding Health states that “Every person has the right to health” (Article 4), “Every person has equal right to access resources in health” (Article 5, paragraph 1), “Every person has the right to safe, quality and affordable health services” (Article 5, paragraph 2) and every person has the right, independently and responsibly, to determine the health services that he or she needs.

Moreover, “Every person has the obligation to participate in a social health insurance program” (Article 13, paragraph 1), and “The social health insurance program referred to in paragraph 1 shall be administered in compliance with the prevailing laws and regulations” (Article 13, paragraph 2).

“The government is responsible for the administration of public health insurance through the national social security system for individual health measures” (Article 20, paragraph 1).

Law No. 3 of 1992 regarding Employees’ Social Security stipulates that “The worker, her/his husband or wife and children are entitled to health care benefits” (Article 16, paragraph 1) and that “the health care benefits include: a) primary outpatient care; b) secondary level outpatient care; c) inpatient care; d) pregnancy examinations and delivery care; e) diagnostic support; f) special care [prostheses, orthotics, spectacles]; g) emergency care” (Article 16, paragraph 2).

II.1.1 Private Sector Benefits

Persons Protected

Government Regulation No. 14 of 1993 regarding the Implementation of Employees’ Social Security, as an elaboration of Law No. 3 of 1992, stipulates that “Health insurance is provided to the worker, the wife or husband of the worker and a maximum of 3 (three) children of the worker” (Article 33, paragraph 1).

Contribution Contributions for health care benefits as stipulated by **Law No. 3 of 1992** are borne by the employer (Article 20, paragraph 1).

Government Regulation No. 14 of 1993 provides that the amount of the health insurance contribution is 6% of wages per month for participants with dependents and 3% of wages for participants without dependents (Article 9, paragraph 1, subparagraph d), which is borne by the employer (Article 9, paragraph 1). The maximum (ceiling) wage used in the calculation of contributions is IDR 1,000,000 per month (Article 9, paragraph 4).

Co-payments

Government Regulation No. 14 of 1993 states that co-payments may apply for medicines (Article 43, paragraph 3) or inpatient care (Article 43) for which the cost is above the applicable standard. In this case, the worker shall bear the difference in the cost.

II.1.2 Informal Workers

Minister of Manpower and Transmigration Regulation No. 24 of 2006 regarding the Implementation Guidelines for the Social Security Program for Workers Outside an Employment Relationship provides the basis for a health insurance scheme for informal workers, which is currently still at the pilot stage. Informal workers can voluntarily join the health insurance programme provided by PT Jamsostek, under a scheme similar to that used for formal workers.

The health care benefits include: a) primary outpatient care; b) secondary level outpatient care; c) hospitalization; d) diagnostic care for the costs of prostheses, orthotic and spectacles; and e) emergency care" (Chapter III, Section F). Contributions are set at 6% of the monthly wage for workers with dependents and 3% of the monthly wage for single workers (Annex of the Ministerial regulation, Chapter III, Section D).

II.1.3 Civil Servants

Active and retired civil servants, retired military and police officers, veterans and national patriots and their families are covered by a compulsory health insurance scheme managed by PT Askes. Members obtain benefits through a structured health service mechanism which is available all over Indonesia during their active careers and after retirement. Contributions are shared between members and the government in its role as employer. Each member/civil servant contributes 2% of his/her salary and the government matches it with the same amount.

Government Regulation No. 69 of 1991 regarding Health Care for Civil Servants, Pensioners [retired civil servants and armed forces personnel], Veterans, National Patriots and their Dependents regulates the Askes health insurance program. Askes (Asuransi Kesehatan, or Health Insurance) is managed by PT Askes, a state-owned enterprise, for the aforementioned participants.

Benefits and Persons Protected

The regulation states that "All civil servants, pensioners, veterans and national patriots are obliged to participate in the health care program referred to in this decree" (Article 2) and their "participants are registered in the program collectively through their respective agencies" (Article 6). Participants and their family members are entitled to health care and/or reimbursement for health care expenses in accordance with the health care standards stipulated by the President" (Article 11, paragraph 2). "Family members are the wife or husband of the participant and the legitimate children or adopted children of the participant in accordance with the prevailing legislation" (Article 1, paragraph 6).

Contribution

"Civil servants and pensioners are obliged to pay a monthly contribution, which amount and payment mechanism shall be governed by a Presidential Decree" (Article 7). "The

contribution for veterans and national patriots is borne by the government and paid from the state budget" (Article 8). "The widow/widower or orphans of veterans and national patriots are participants according to this Government Regulation" (Article 5).

Government Regulation No. 28 of 2003 regarding Government Subsidies and Contributions to Civil Servants' Health Insurance specifically regulates the government's contribution to the Askes program, stipulating that "for the operation of health insurance for civil servants and pensioners, the Government is obliged to pay subsidies and contributions" (Article 2).

Subsidies are paid in the form of: a) fund transfers directly to the administering body (PT Askes) to finance health services that require sophisticated medical equipment and/or services for catastrophic diseases; and b) tariff reductions for the utilization of government health facilities (Article 3). The contributions paid by the government amount to 2% of the salary of civil servants and pensioners, paid directly to the administering body (PT Askes) (Article 5, paragraphs 1 & 3).

Co-payments

"The health care expenses according to the service standards as referred to in Article 11 paragraph 2 are paid in accordance with tariffs set by the Minister" (Article 12, paragraph 1). "Any expenses that exceed the standard services and tariffs referred to in paragraph 1 shall be borne by the participants (Article 12, paragraph 2).

Health care schemes for the poor are implemented on the basis of social welfare insurance as stipulated in **Law No. 11 of 2009 regarding Social Welfare**. The law states that social welfare insurance is an insurance for which the premium is paid by the government, and is provided to protect citizens who are not capable of paying insurance premiums so they can maintain a certain level of social welfare (Article 10). Programs in this category include Jamkesmas and Jampersal.

Jamkesmas (Jaminan Kesehatan Masyarakat, or Public Health Insurance) is a health insurance targeted at the poor and near poor. Contributions are paid entirely by the central government. The scheme provides beneficiaries with free health services in Community Health Centres (Puskesmas) and 3rd class (basic level) wards in government hospitals and some designated private hospitals.

Jampersal (Universal Delivery Care) is a new program (started early 2011) that guarantees free delivery care, including antenatal, postnatal and newborn care, to all women. Consultations and delivery care are provided in health centres or 3rd class wards in hospitals. The scheme is provided universally with the specific objective of achieving the Millennium Development Goals (MDG) mandate of reducing maternal mortality.

Minister of Health Regulation No. 903 of 2011 regarding the Jamkesmas Implementation Guidelines regulates the implementation mechanism for Jamkesmas. The decree also contains stipulations about Jampersal, referring to the Jampersal Technical Guidelines for details. It states that Jampersal is an extension of Jamkesmas and is under the same management as Jamkesmas. However, detailed technical implementation guidelines will be issued separately (Chapter 2, page 8).

II.1.4 The Poor and Near Poor

"The target or quota of Jamkesmas participants for 2011 is the same as for 2010, which is 76.4 million people" (Chapter 1, page 5). "Contributions for poor people in Jamkesmas are funded by the state budget under the social assistance budget item" (Chapter 1, page 6).

"Jamkesmas is based on the social insurance concept. The program is implemented nationwide with the objectives of: 1) achieving portability of service such that referral services up to the highest level provided by Jamkesmas are accessible to all participants in various areas; 2) deriving cross subsidies in order to provide comprehensive health services to the poor" (Chapter 1, page 6).

"Every participant is entitled to health care, which includes primary and secondary outpatient services, primary and secondary inpatient care in third class wards as well as emergency care. The benefit received by participants shall be comprehensive health care based on their needs and in accordance with Medical Service Standards" (Chapter 4, page 13).

"...Jamkesmas participants shall not share the cost of medical care for any reason" (Chapter 4, page 14)

"In 2011 the Government launched the Jampersal (Jaminan Persalinan, or Universal Delivery Care), which is a benefit that covers the cost of antenatal care, delivery care and postnatal care including birth control services and newborn care services. The beneficiaries of the scheme are all mothers who do not already receive delivery benefits. The objective of the program is to accelerate the realization of MDG for reducing maternal mortality. Details of the implementation of Jampersal shall be laid out in the Technical Guidelines of Jampersal" (Chapter 1, page 5).

The technical implementation guidelines for Jampersal are annexed to the **Minister of Health Regulation No. 631 of 2011**. According to the guidelines, the target beneficiaries of Jampersal are: a) pregnant women; b) women in childbirth; c) women in the postnatal period (up to 42 days after childbirth); and d) newborn babies (up to 28 days old)," while participants of Jamkesmas are all target beneficiaries who do not already receive delivery care benefits" (Chapter 1, Section C). "Jampersal benefits cover the costs of childbirth, including antenatal care, delivery care, postnatal care including birth control services, and newborn care (Chapter 1, Section E).

Services are delivered as: a) Primary delivery care services including antenatal care, normal delivery, postnatal care including birth control, and referrals in the event of complications, which are provided in community health centres that offer basic essential obstetric and neonatal services (Puskesmas PONED) and village health posts within their network as well as private health facilities that have entered into an agreement with the local authorities; and b) secondary delivery care for mothers and babies with high risks and complications, which is provided by specialist medical personnel in government hospitals or private hospitals that have entered into an agreement with the local authorities. Secondary delivery care is provided by referral, except in emergency cases (Chapter 2, Section B). The recommended antenatal care includes: a) one visit in the first trimester; 2) one visit in the second trimester; and c) two visits in the third trimester (Chapter 3, subsection 1). The recommended postnatal care is three visits, which include family planning counselling and services (Chapter 3, subsection 16).

In addition to Jamkesmas, the Jamkesda (Jaminan Kesehatan Daerah, or Regional Public Health Insurance Program) is health insurance for the poor and near poor

provided by provincial and district governments. Jamkesda typically targets people who are identified by the local authorities as poor but are not covered by Jamkesmas. Schemes and regulations for Jamkesda vary between areas. Provisions for Jamkesda can be found in **Minister of Health Regulation No. 903 of 2011 regarding the Jamkesmas Implementation Guidelines**, which states that “participants of Jamkesmas are poor and near poor people who are listed and validated by a decree of the Mayor/Head of District of their respective city/district (Chapter 3, page 9) and that “if there are still poor people who are not on the list for the district/city, their health care becomes the responsibility of the local government. The financing of regional public health care insurance shall follow the principles of Jamkesmas” (Chapter 3, page 10).

Law No. 40 of 2004 regarding the National Social Security System (yet to be implemented):

Persons Protected

Health insurance is provided to everyone who pays contributions or, in the case of the poor, whose contributions are paid by the government. The insurance also covers family members of participants (Article 20, paragraph 1 and 2). Benefits for workers cover up to 5 (five) family members. “A worker who has more than 5 (five) family members and wishes to include other family members is required to pay additional contributions” (Article 28, paragraph 1).

Benefits

The health services provided by the insurance shall include “health promotion, preventive and curative treatment and rehabilitation, including medicines and medical supplies as necessary” (Article 22, paragraph 1). “Participants shall be required to share the costs of types of services that may be misused” (Article 22, paragraph 1). Provisions concerning health services and cost sharing as referred to above shall be further governed by a Presidential Regulation.

Contribution

The amounts of the insurance contributions for the different categories of participant are stipulated in Article 27: “The amount of the contributions for participants who receive a wage [formal sector workers] shall be determined as a percentage of wages up to a certain limit, which shall be borne jointly by the employee and employer in stages (paragraph 1);” whereas “The amount of the contributions for participants who do not receive a wage [informal sector workers] shall be determined based on a nominal amount that will be reviewed periodically (paragraph 2)” and “The amount of the contributions for recipients of government contribution assistance [poor people] shall be determined based on a nominal amount that will be reviewed periodically” (paragraph 3).

II.1.5 Statistical Information and Implementation of the Regulations

Implementation

With the enactment of the National Social Security System Act in 2004, the Government made a commitment to achieve universal coverage of health insurance. In 2009 the Minister of Health presented a blueprint for a new health insurance scheme targeting universal coverage by 2014. However, although significant improvements in health insurance coverage have been made in the last few years, at least 41% of the population is still without health insurance.

The database of the Ministry of Health's Centre for Health Insurance and Financing shows that in 2010 formal health insurance covered a total of 59% of the population (without taking into account targeting issues or overlapping coverage). The majority (32% of the total population) is covered by public health insurance (Jamkesmas), and health insurance schemes targeting the poor and near poor provided by the central government. Another 13.5% of the population is under the Jamkesa program (a regional health insurance program for the poor) provided by district and provincial governments. Other types of insurance (including compulsory health insurance for civil servants, health insurance provided for formal private sector employees, private insurance and other smaller programs) mostly accrue to the richer population. Among the top three expenditure deciles, 33% of households were covered by these forms of insurance, compared to only 4.4% of households in the bottom three deciles and 12% of the middle four deciles (World Bank, February 2011).

Jamkesmas faces mistargeting and leakage issues. Though health insurance coverage among the bottom three expenditure deciles increased from 16.5% in 2004 (before the launch of Jamkesmas) to more than 43% in 2010, when added to other insurance coverage of just 4.4% in this population group, it still leaves 52.6% of the poor population without health insurance. On the other hand, 28% of the middle deciles and 11.8% of the top three deciles are covered by this program (World Bank, February 2011). Like Jamkesmas, Jamkesda faces targeting issues. It has been difficult to get comprehensive data on the beneficiaries of Jamkesmas in different provinces and districts, and some areas reported overlaps of Jamkesmas and Jamkesda beneficiaries.

In the private sector, evasion is rampant. According to Jamsostek's 2010 annual report, their Health Care Benefit (JPK) program reached 2,180,825 workers (5.7% of formal sector workers, or 1.8% of the total workforce), providing benefits to a total of 5,044,375 beneficiaries (2.1% of the population). According to the Ministry of Health's database, the combined coverage of Jamsostek health insurance, employer-provided health insurance/health care and private and other health insurances constitutes 6% of the population. This is a very small proportion, given that one-third of the workforce is in the formal sector.

Among active and retired civil servants and military personnel, membership in the health insurance is automatic when they are recruited so coverage among this group is always 100%.

Overall Coverage

According to the database of the Ministry of Health's Centre for Health Insurance and Financing, health insurance coverage in 2010 was as follows:

- ♦ Jamkesmas (poor and near poor): 32.37% of the population
- ♦ Askes (civil servants, military personnel, pensioners, veterans); 7.29% of the population

- ♦ Jamsostek (private sector): 2.05% of the population
- ♦ Private, in-house and other insurance (private sector): 1.21% of the population
- ♦ Jamkesda (poor and near poor): 13.52% of the population

II.2 Sickness Benefit

Indonesia has no specific sickness benefit program. Under the **Labour Law (Law No. 3 of 1992)**, a form of protection is given through prohibitions on employers terminating a worker's employment due to illness for up to 12 months. Paragraph 1 of Article 153 prohibits an employer from terminating the employment of an employee if: i) "The worker is absent from work because of illness as certified by a written statement from a doctor, provided that it is for a period of more than 12 (twelve) months consecutively" (subparagraph a); ii) "The worker is absent from work because she is pregnant, giving birth, having a miscarriage, or breastfeeding her baby" (subparagraph e); iii) "The worker is permanently disabled, ill as a result of a work accident, or ill because of an occupational disease for which the recovery period cannot be ascertained as attested to by the written statement of the physician" (subparagraph j).

Some illnesses arising through employment are categorized as occupational injuries and are regulated by the **Labour Law (Law No. 3 of 1992)**. The law defines occupational injuries as "injuries related to the employment relationship, including illnesses caused by the employment relationship and accidents that occur during the journey from home to the workplace and back via the normal route (Article 1, paragraph 6). Occupational injury benefits include financial compensation for the period during which the person is unable to work (Article 9, paragraph d). The list of illnesses arising due to the employment relationship and any changes therein are determined by a Presidential Decree (Article 11).

Askesos Askesos is an income replacement scheme for informal sector workers, targeted at poor informal workers. The program is regulated by the **Decree of the Minister of Social Affairs No. 51 of 2003 regarding Social Security Programs for Vulnerable and Poor People** and the implementation guidelines are provided in the **Decree of the Minister of Social Affairs No. 63 of 2003 regarding the Implementation of Social Welfare Insurance for Vulnerable People**. The program, which is managed and subsidised by the Ministry of Social Affairs, provides flat one-off cash benefits to members in case of sickness, work injury or death.

Contribution

Workers pay a contribution of IDR 5,000 per month.

Benefit

In the event of sickness, workers can claim and receive IDR 300,000 (around USD 34), but can only make a maximum of one claim per contingency per year. If no claims are made for three years, the participant will receive the accumulated amount of his/her contributions (IDR 180,000).

II.3 Unemployment Benefit

No specific unemployment insurance is available. However, in the case of termination of employment, formal sector workers (about one-third of the total workforce) are entitled to severance pay provided by the employer if the termination takes place after they have finished their probation period.

In Chapter XII regarding Termination of Employment, Article 156 of the **Labour Law (Law No. 3 of 1992)**, stipulates the following provisions:

Should termination of employment take place, the employer is obliged to pay the dismissed worker severance pay and or a sum of money as a reward for services rendered during his or her term of employment, and compensation pay for rights or entitlements.

The calculation of severance pay as mentioned under paragraph (1) shall at least be as follows:

- ♦ 1 (one) month's wages for less than 1 (one) year of employment;
- ♦ 2 (two) months' wages for 1 (one) or more years of employment but less than 2 (two) years;
- ♦ 3 (three) months' wages for 2 (two) or more years of employment but less than 3 (three) years;
- ♦ 4 (four) months' wages for 3 (three) or more years of employment but less than 4 (four) years;
- ♦ 5 (five) months' wages for 4 (four) or more years of employment but less than 5 (five) years;
- ♦ 6 (six) months' wages for 5 (five) or more years of employment but less than 6 (six) years;
- ♦ 7 (seven) months' wages for 6 (six) or more years of employment but less than 7 (seven) years;
- ♦ 8 (eight) months' wages for 7 (seven) or more years of employment but less than 8 (eight) years;
- ♦ 9 (nine) months' wages for 8 (eight) or more years of employment.

The sum of money to be paid as a reward for services rendered during the worker/labourer's term of employment is calculated as follows:

- ♦ 2 (two) months' wages for 3 (three) or more years of employment but less than 6 (six) years;
- ♦ 3 (three) months' wages for 6 (six) or more years of employment but less than 9 (nine) years;
- ♦ 4 (four) months' wages for 9 (nine) or more years of employment of but less than 12 (twelve) years;
- ♦ 5 (five) months' wages for 12 (twelve) or more years of employment but less than 15 (fifteen) years;
- ♦ 6 (six) months' wages for 15 (fifteen) or more years of employment but less than 18 (eighteen) years;
- ♦ 7 (seven) months' wages for 18 (eighteen) or more years of employment but less than 21 (twenty-one) years;
- ♦ 8 (eight) months' wages for 21 (twenty-one) or more years of employment but less than 24 (twenty-four) years;
- ♦ 10 (ten) months' wages for 24 (twenty-four) or more years of employment.

The compensation pay that the dismissed worker/labourer should receive, as mentioned in subsection (1), shall include:

- ♦ Annual leave that has not expired and has not been taken;
- ♦ Cost or expense of transporting the worker/labourer and his or her family back to the point of hire;
- ♦ Compensation for housing, medical and health care allowances, determined at 15% of the severance pay and/or years of service reward for those who are eligible;
- ♦ Other compensation that is stipulated in the work contract, company regulations or collective labour agreements.

Provisions in the **Labour Law (Law No. 13 of 2003)** that are relevant to old age include:

Article 167, which states that “An employer may terminate the employment of his/her workers/labourers because they have reached the pensionable age. If the employer has included the workers/labourers in a retirement benefit program, the workers/labourers are not entitled to severance pay according to what is stipulated under paragraph (2) of Article 156, reward pay for the period of employment in accordance with what is stipulated under paragraph (3) of Article 156, or compensation pay for entitlements according to paragraph (4) of Article 156” (paragraph 1). “If the amount of the retirement benefit they receive as a single lump-sum payment as a result of their participation in a pension program as referred to in paragraph (1) is less than twice the amount of the severance pay stipulated under paragraph (2) of Article 156, the reward pay for the period of employment in accordance with what is stipulated under paragraph (3) of Article 156, and compensation pay for entitlements according to paragraph (4) of Article 156, the employer shall pay the difference” (paragraph 2). “If the employer has not included the workers/labourers whose employment is terminated due to their reaching pensionable age in a pension program, the employer must pay them severance pay at twice the amount of the severance pay as stipulated under paragraph (2) of Article 156, reward pay for a period of employment amounting to 1 (one) time the amount stipulated in paragraph (3) of Article 156, and compensation pay for entitlements that have not been used according to what is stipulated under paragraph (4) of Article 156 (Paragraph 5). [For Article 156 of the Labour Law, see the section on unemployment benefit above].

II.4 Old Age Benefit

As stipulated in Articles 14 and 15 of **Law No. 3 of 1992**, formal workers in the private sector are entitled to an old age benefit scheme, which is managed by PT Jamsostek and based on a provident fund/savings mechanism. Article 14 states that “the old age benefit is paid out all at once, or periodically, or in part and periodically to a worker when a) he/she has reached the age of 55 (fifty-five); or b) he/she is declared by a physician to be permanently and severely disabled” (paragraph 1). “In the event of the death of the worker, the old age benefit is paid to the widow/widower or the orphaned children” (Paragraph 2). Article 15 states that “the old age benefit can be paid out before the employee reaches the age of 55 (fifty-five), after completing a specified period of participation as governed by a Government Regulation”. According to **Government Regulation No. 14 of 1993 regarding the Implementation of the Social Security Program** (Article 32, paragraph 1), the minimum period of participation is 5 (five) years.

II.4.1 Private Sector

Benefits

According to **Government Regulation No. 14 of 1993**, “the amount of the old age benefit is the total contribution plus the return on its growth” (Article 24, paragraph 1). The benefit payment can be paid out in a lump sum or, if the amount exceeds a certain threshold or at the worker’s request, it can be paid periodically over a period of no more than five years (Article 24, paragraph 2).

Contribution

Government Regulation No. 14 of 1993 stipulates that the contribution for the provident fund is 5.7% of the wage (Article 9, paragraph 1, subparagraph b), of which 3.7% is borne by the employer and 2% is borne by the employee (Article 9, paragraph 3).

II.4.2 Informal Workers

Pursuant to Regulation of the Minister of Manpower and Transmigration No. 24 of 2006 regarding the Implementation Guidelines for the Social Security Program for Workers Outside an Employment Relationship, one of the schemes PT Jamsostek provides for informal workers is an old age savings scheme. Participants pay contributions of 2% of their income and receive benefits calculated on the basis of the accumulated amount of their contributions plus the return on growth. As with other schemes in the informal Jamsostek program, both participation and the level of benefit in this scheme are so far very low compared to the need.

II.4.3 Civil Servants and Military Personnel

Retired civil servants and military personnel are entitled to both monthly pension benefits and lump-sum old age savings benefits upon reaching retirement age. The monthly pension benefit amounts to 2.5% of the final month’s pay multiplied by the number of years of service, up to a maximum of 80%, whereas the lump-sum old age savings benefit is based on a multiplication of the number of years of service, final salary, and 0.6 (a factor determined by the Minister of Finance).

Law No. 11 of 1969 regarding Pensions for Employees [Civil Servants] and Employees’ Widows/Widowers regulates old age benefits for civil servants and survivors’ benefit for their dependents.

Article 1 states that “The pension for employees and employees’ widows/widowers in this law is given as security for old age and as an appreciation of the dedication of civil servants during their years of service in government agencies” (Article 1). **Further provisions in this law regarding the widow/widower pension are listed under survivors’ benefits in the following section.**

Persons Protected

“The employee pension, the widow/widower pension and allowances as well as assistance on top of the pension that are stipulated in this law shall be: a) for civil servants/former civil servants who, prior to their end of their employment as civil servants or prior to death, are entitled to a salary paid from the state budget, prior to the formation and implementation of a pension fund which shall be governed by a Government Regulation, that is financed entirely by the state, while the cost of implementation shall be paid from the aforementioned budget; b) for civil servants/

former civil servants other than those included in subsection a above, financed by a pension which formation and implementation shall be governed by a Government Regulation" (Article 2).

"Civil servants are public service employees as defined by Article 1 of Law No. 18 of 1961 regarding Civil Service Employees (State Gazette year 1961 No. 263), excluding members of the military" (Article 3, subparagraph a).

Pensionable Age

Article 9 regulates the requirements for receiving a pension. Paragraph 1 states that to reserve the right to an employee pension, the retired civil servant has to be: a) at least 50 years old and have worked for 20 years or more; b) no longer able to work in any position due to a physical or mental condition caused by activities undertaken in the course of performing his/her duties; or c) have worked for at least four years and no longer able to work in any position due to a physical or mental condition that was not caused by activities undertaken in the course of performing his/her duties.

Calculation of Benefit

"The basis for calculating the amount of the pension benefit is the last basic monthly salary (including any additional basic salary and/or additional transitional basic salary) received by the employee, based on the prevailing salary regulations" (Article 5).

"The monthly amount of the employee pension is 2.5% of the pension basis for each year of employment, with the following stipulations: a) the monthly amount of the employee pension is no more than 75% and no less than 40% of the pension basis; b) the monthly amount of the employee pension in the case of the circumstances referred to in Article 9, paragraph 1 subparagraph b of this law [employees who are no longer able to work in any position due to a physical or mental condition caused by activities undertaken in the course of performing their duties] is 75% of the pension basis; c) the monthly amount of the employee pension should not be less than the lowest basic salary as governed by the Government Regulation concerning salaries and ranks applicable to civil servants" (Article 11, paragraph 1).

"On top of the pension, a family allowance, cost of living allowance, and other general allowances or general assistance is given in compliance with the prevailing regulations" (Article 8).

Government Regulation No. 25 of 1981 regarding Civil Servants' Social Insurance regulates the "Social Insurance for Civil Servants including a pension fund and old age savings" (Article 1, paragraph 2). "A pension is an income received every month by people who are entitled to a pension in accordance with the prevailing laws and regulations" (Article 1, paragraph 5) and "an old age pension is an insurance program, consisting of endowment insurance associated with pension age and life insurance [literal translation: Death Insurance Benefit]" (Article 1, paragraph 5). "The participants are entitled to: a) a pension; and b) old age savings (Article 8). "All civil servants, excluding civil servants in the Ministry of Defence, are participants in the Social Insurance" (Article 2, paragraph 1). Civil servants in the Ministry of Defence are enrolled in the armed forces pension scheme.

Contribution

"Participants are obliged to pay a monthly contribution in the amount of 8% of their monthly income, excluding food allowance" (Article 6, paragraph 1). "The amount of the contribution referred to in paragraph 1 is allocated as follows: a) 4.75% for the pension contribution; and 3.25% for old age savings" (Article 6, paragraph 2).

"In accordance with paragraph 1 of Article 6, the government also bears the following: a) pension contribution for civil servants, the amount of which to be governed by a Presidential Decree; b) pension benefit for all existing pensioners at the time this government regulation come into force; c) a part of the pension benefit of pensioners who have not completed the set contribution period" (Article 7).

Old Age Savings

The old age savings benefit referred to in Section b of Article 8 is disbursed in the event that a participant stops working due to retirement, death, or other reasons" (Article 9, paragraph 2). "Persons who are entitled to the old age savings benefit referred to in Section b of Article 8 and paragraph 2 of Article 9 are: a) the participant, in the event he/she finishes his/her employment with the right to a pension or prior to pensionable age; b) the legal wife/husband, children or heirs of the participant, in the event of the death of the participant" (Article 10, paragraph 2). "A participant who finishes his/her employment without the right to a pension will receive the accumulated amount of his/her social insurance contributions" (Article 10, paragraph 3).

The Decree of the Minister of Finance No. 478/KMK.06/2002 regarding the Requirements and Benefit Amount of the Old Age Savings for Civil Servants presents the calculation for the defined benefit old age savings scheme.

Stipulated in Article 2, "the rights of the participants in the old age program include: a) endowment insurance benefit; and/or b) life insurance benefit" (Article 2, paragraph 1). "The endowment insurance benefit is given to participants who: a) retire; b) die before retirement; or c) stop serving as civil servants for other reasons" (paragraph 2) and "life insurance benefit is given in the event of: a) the death of the participant or pensioner; b) the death of the wife/husband; or c) the death of children" (paragraph 3).

The calculations presented in Article 3 are as follows:

Endowment insurance benefit:

For participants who retire after January 1st 2001:

$$\{0.60 \times MI1 \times P1\} + \{0.60 \times MI2 \times (P2 - P1)\}$$

With the stipulation that for participants whose membership began on/after January 1st 2001: P1 is replaced by P2 and MI2 is replaced by MI1.

For participants who die on or after January 1st 2001:

$$\{0.60 \times Y1 \times P1\} + \{0.60 \times Y2 \times (P2 - P1)\}$$

With the stipulation that for participants whose membership began on/after January 1st 2001: P1 is replaced by P2 and Y2 is replaced by Y1.

For participants who die on or after January 1st 2001:

The amount of endowment insurance benefit referred to in a and b above should be at least one time P2 and should be no less than IDR 1,000,000 (one million rupiah).

For participants whose employment ends for other reasons on/after January 1st 2001:

$$\{F1 \times P1\} + \{F2 \times (P2-P1)\}$$

With the stipulation that for participants whose membership began on/after January 1st 2001: P1 is replaced by P2 and F2 is replaced by F1.

[F1 or F2 is given in a list. Example: For MI1 or MI2 of 1 year, F1 or F2 is 0.559. For MI1 or MI2 of 30 years or more, F1 or F2 is 10.814]

The amount of the endowment insurance benefit referred to in d above should be no less than IDR 1,000,000 (one million rupiah).

Where, according to Article 1:

P1 is the monthly income of the last month of service as a civil servant, and consists of the basic salary, wife allowance and child allowance, in accordance with Government Regulation No. 6 of 1997 regarding the Basic Salary of Civil Servants.

P2 is the monthly income of the last month of service as a civil servant, consisting of the basic salary, wife allowance and child allowance in accordance with Government Regulation No. 26/2001 regarding the Basic Salary of Civil Servants.

MI1 is the years of contribution from when the participation started until it ended.

MI2 is the years of contribution since January 1st 2001 until end of participation.

Y1 is the difference between the retirement age of 56 and the age at which the participant started participating, or the difference between the age of death and the age at which the participant started participating for participants who retired aged over 56 years and whose age at death was over 56 years.

Y2 is the difference between retirement age of 56 and the age of the participant on January 1st 2001, or the difference between the age of death and the age of the participant on January 1st 2001 for participants who retired aged over 56 years and whose age at death was over 56 years.

Pension and old age savings programs for members of the military and civil servants in the Ministry of Defence are governed by Law No. 67 of 1991 regarding Armed Forces' Social Insurance. The Indonesian Armed Forces Social Security scheme (Asuransi Sosial Angkatan Bersenjata Republik Indonesia, or ASABRI) is administered by a state-owned enterprise called PT Asabri. "All members of the Armed Forces and civil servants in the Ministry of Defence are obliged to participate in ASABRI" (Article 3, paragraph 1).

Contribution

Paragraph 1 of Article 7 stipulates that "the obligatory contribution for Old Age/Housing Savings for each participant is 3.25% of the monthly income".

Benefits

"The rights of the participants include: a) insurance benefit; b) death compensation benefit; c) cash benefit; and d) funeral expenses" (Article 8). Insurance benefits are given to participants who finish their service as members of the Armed Forces or as civil servants in the Ministry of Defence with the right to a pension" (Article 9,

paragraph 1). "Death compensation and cash benefits are given to the legal heirs of participants who died in combat or died because of, or while performing, their duty" (Article 9, paragraph 2). "Cash benefits are given to participants who are dismissed without the right to a pension" (Article 9, paragraph 3). "Funeral expenses are given to the legal heirs of participants who died with the status of pensioner" (Article 9, paragraph 4).

II.4.4 The Poor and Vulnerable

Programs targeted at poor and vulnerable elderly people are stipulated by **Law No. 11 of 2009 regarding Social Welfare**. Paragraph 1 of Article 9 states that social security is intended to: a) guarantee that the poor, orphans and abandoned children, mentally disabled persons, physically disabled persons, and persons with previous chronic illness who are socio-economically disadvantaged are able to fulfil their basic needs; b)..." Paragraph 2 of Article 9 states that "the social security referred to in subparagraph (a) of paragraph 1 is provided in the form of social welfare insurance and direct and continuous transfers".

The JSLU (Jaminan Sosial Lanjut Usia, or Social Security for the Elderly) is a cash transfer provided to elderly people who are no longer productive and have no caregiver. The program transfers IDR 300,000 (around USD 33) per month to each beneficiary.

The **JSLU Implementation Guidelines published by the Ministry of Social Affairs in 2008** state that the target group of the JSLU program consists of people who are 60 years old or older, lack the ability to provide for themselves and are dependent on the help of other people.

The target or quota of beneficiaries is regulated separately in **Presidential Instruction No. 3 of 2010 regarding Pro Poor Development**. There, the number of elderly people targeted to receive such transfers in 2011 is 13,250. On the other hand, the JSLU Implementation Guidelines reveal that in 2007 there were already 2,033,220 (around 15% of all elderly people) who are without sufficient savings, assets or pension to sustain their daily needs (Chapter 1, A.4). Compared to this number, the JSLU target is very small.

The guidelines set out certain characteristics that are considered for prioritization. They include being part of a poor family, not receiving other assistance from the government or social institutions, being ill or unable to perform daily activities without help, and holding an identity card.

Law No. 40 of 2004

Law No. 40 of 2004 has two separate programs for old age benefit: a provident fund program as stipulated by Articles 35-38 under the heading of Old Age Benefit, and a pension program as stipulated by Articles 39-42 under the heading of Pension Benefit.

Benefits

The Old Age (Savings) program is a defined contribution scheme which provides one-off cash benefits that are paid to participants when they reach the age of retirement or suffer permanent total disability, or paid to the legal heirs of participants who die (Article 37, paragraphs 1 and 4). The amount of the benefit is determined based on the total accumulated contributions made plus the return on their growth (Article

37, paragraph 2). Partial payments of old age savings benefit may be made, up to a certain limit, after participation of ten years or more (Article 37, paragraph 3).

The Pension Program is a defined benefit program (Article 39, paragraph 3), which provides monthly cash benefits that are paid to a participant who reaches retirement age or suffers permanent total disability up until the time of death; or, in case of deceased participants, paid to the widow/widower of the participant up until the time of death or remarriage; the children of the participant up until the age of 23 or marriage or entering employment; or the parents of an unmarried participants up until a certain time limit established by statute (Article 41 paragraph 1). The monthly pension benefit shall be received after the participant has made contributions for a minimum of 15 years, unless otherwise established by statute, and he or she reaches the age of retirement, and benefits are calculated according to a formula to be established by a Presidential Regulation (Article 41, paragraph 2, 3 and 8). In the event that a participant dies before fulfilling the minimum contribution period of 15 years, his or her heirs are entitled to receive the benefit (Article 41, paragraph 4). In the event that the participant reaches the age of retirement before fulfilling the minimum contribution period of 15 years, the participant is entitled to receive the total accumulated contributions plus the return on their growth (Article 41, paragraph 5).

Contribution

While the provisions regarding the old age savings program stipulate the contribution mechanism for workers in both the formal and informal sectors, the provisions regarding the pension program only provide the contribution mechanism for formal sector workers.

Article 38, referring to the old age savings program, states that “The amount of old age savings contributions for participants who receive a wage [formal sector workers] shall be determined as a percentage of wages, which shall be borne jointly by the employee and the employer” (paragraph 1) and “the amount of contributions for participants who do not receive a wage [informal sector workers] shall be determined based on a nominal amount that will be reviewed periodically” (paragraph 2).

Article 42, referring to the pension program, states that “The amount of the contributions for participants who receive a wage [formal sector workers] shall be determined as a percentage of wages, borne jointly by the employee and the employer,” providing no provision regarding the contributions of participants who do not receive a wage [informal sector workers].

- ◆ Despite the mandatory nature of the scheme, participation among formal sector workers is low. In 2010, of around 33 million formal sector workers (one-third of the total workforce)¹, only 9,337,423 are active members of the occupational injury, old age and death benefits package. Nearly three-quarters of formal economy workers are without these protections.

II.4.5 Implementation Issues

1 There are various definitions of the informal sector and hence different estimations of the numbers of workers in that sector, ranging from 30% to 40% of the total workforce. This calculation uses BPS' old definition of formal workers, in which the formal sector constitutes 31.5% of the total workforce (33,034,050 of 104,870,000 workers in 2009). When using the new BPS definition—by cross-tabulating status and types of work—the formal sector constitutes 37.1% of the total workforce (39,745,730 of 104,870,000 workers in 2009). For more information on the BPS definitions of the formal and informal sectors, see Nazara (2010).

The vulnerable elderly program (JSLU) lacks a comprehensive database of its target group. The Ministry's database is based on estimations so it is difficult to compare the coverage against the actual need.

II.5 Employment Injury Benefit

The **Labour Law (Law No. 13 of 2003)** has several articles related to employment injury, though it does not specify employment injury insurance (employment injury insurance is regulated by the Social Security Law). Relevant provisions in the Labour Law include:

Article 153, which prohibits employers from terminating the employment of a worker/labourer because the worker/labourer is "permanently disabled, ill as a result of a work accident, or ill because of an employment relationship, whose period of recovery cannot be ascertained as certified by a written statement made by the physician" (paragraph 1, subparagraph J), and

Article 172, which states that "Workers/labourers who are continuously ill for a very long time, who are disabled as a result of a work accident and are unable to perform their work may, after they have been in such a condition for more than the absenteeism limit of 12 (twelve) months consecutively, request that their employment be terminated, upon which they shall be entitled to receive severance pay amounting to twice the amount of the severance pay stipulated under subsection (2) of Article 156, reward pay for the period of their employment amounting to twice the amount of such reward pay stipulated under subsection (3) of Article 156, and compensation pay amounting to one time the amount of that which is stipulated under subsection (4) of Article 156."

II.5.1 Private Sector

Law No. 3 of 1992 regarding Employees' Social Security regulates that "workers who experience occupational injury are entitled to occupational injury benefits" (Article 8, paragraph 1).

Benefits

Law No. 3 of 1992 stipulates that the occupational injury benefit shall cover a) cost of transportation; b) cost of examination, medication and treatment; c) cost of rehabilitation; and d) financial compensation including compensation for the period during which the person is unable to work, compensation for partial permanent disability, compensation for total permanent disability both physical and mental, and compensation for death (Article 9).

Government Regulation No. 84 of 2010 regarding the seventh amendment of Government Regulation No. 14 of 1993 (Annex II), as an elaboration of Law No. 3 of 1992, sets out the details of compensation, treatment and medication, as follows:

Compensation:

Compensation for the period during which the person is unable to work is 100% X monthly wage for the first 4 months, 75% X wage for the following 4 months, and 50% X wage for the subsequent months.

Compensation for partial permanent disability is paid as a lump sum. The amount of compensation is a percentage as listed in the table X 80 months of

wage. The table lists percentage values according to the degree of disability, ranging from 1.5% for the loss of one joint of a finger to 70% for the loss of both eyes.

Compensation for total permanent disability is paid as a lump sum and periodically. The amount of compensation is: 1) lump sum compensation of 70% X 80 months of wage and 2) periodic compensation of IDR 200,000 for 24 months.

Compensation for function reduction disability is paid as a lump sum. The amount of compensation is a percentage of function reduction X % as listed in the table X 80 months of wage.

Compensation for death caused by an employment accident consists of: 1) a lump sum compensation payment of 60% X 80 months of wage, no less than the amount of the survivors' benefit compensation; 2) periodic compensation of IDR 200,000 for 24 months; 3) funeral expenses of IDR 2,000,000.

Treatment and medication covers expenses for: 1) physician; 2) medicines; 3) operation; 4) X-ray and laboratory; 5) inpatient care in a community health centre, class 1 government hospital or private hospital of equivalent standard; 6) dental treatment; 7) eye treatment; and or 8) traditional medications licensed by the competent authority.

Contribution

Government Regulation No. 14 of 1993, as an elaboration of Law No. 3 of 1992, stipulates that the amount of the contributions varies according to the type of business. Five groups are listed: Group 1 with a contribution of 0.24% of the wage per month; Group 2 with contribution of 0.54% of the wage per month; Group 3 with contribution of 0.89% of the wage per month; Group 4 with contribution of 1.27% of the wage per month; and Group 5 with contribution of 1.74% of the wage per month.

Occupational injury insurance for informal workers is provided by the Jamsostek pilot program for informal workers. The program is regulated by **Minister of Manpower and Transmigration Regulation No. 24 of 2006 on the Implementation Guidelines for the Social Security Program for Workers Outside an Employment Relationship**. Participation in the program is voluntary for any worker in the informal sector who is 55 years old or younger. "Every worker who works outside an employment relationship, aged 55 or younger, can voluntarily participate in the Workers' Social Security program" (Annex I of the Ministerial Regulation, Chapter III, Section C).

II.5.2 Informal Workers

Contribution

Contributions for occupational injury benefit are 1% of the monthly income (Annex I of the Ministerial Regulation, Chapter III, Section D).

Benefits

Benefit of the occupational injury scheme for informal sector workers include: a) the cost of transporting the worker who suffers the occupational injury; b) temporary replacement of income while the worker is unable to work; c) medical costs; d)

compensation for partial permanent disability; e) compensation for total permanent disability; f) compensation for death; g) periodic compensation for a worker who dies or has a total permanent disability; and h) costs of rehabilitation (Annex I of the Ministerial Regulation, Chapter III, Section F).

II.5.3 Civil Servants

Pursuant to **Law No. 11 of 1969 regarding Pensions for Employees [Civil Servants] and Employees' Widows/Widowers**, civil servants who are no longer able to work due to employment injury are entitled to a pension plus an additional amount of compensation.

Paragraph 1 of Article 9 states that to reserve the right to an employee pension, the retired civil servant must: a) be 50 years old and have worked for 20 years or more; b) be no longer able to work in any position due to a physical or mental condition caused by activities undertaken in the course of performing their duties; or c) have worked for at least 4 years and be no longer able to work in any position due to a physical or mental condition not caused by activities undertaken in the course of performing their duties.

Thus for disabilities caused by work injury, the law sets no minimum period of participation. "The amount of the monthly pension in the case referred to in Article 9, paragraph 1 subparagraph b of this law [employees who are no longer able to work in any position due to a physical or mental condition caused by activities undertaken in the course of performing their duties] is 75% of the pension basis" (Article 11, paragraph 1, subparagraph B).

"To the employee pension mentioned in paragraph 1 of this Article shall be added a certain amount in the event that a civil servant is no longer able to work in any position due to a physical and/or mental disability caused by activities undertaken in the course of performing their duties. Provisions regarding the additional amount of pension shall be governed by a Government Regulation" (Article 11, paragraph 2).

II.5.4 The Poor and Vulnerable

On the basis of **Ministerial Decree 51/2003 regarding the Social Security Program for Poor and Vulnerable People through Social Welfare and Insurance and Permanent Social Welfare Assistance Methods**, the Ministry of Social Affairs initiated the Askesos (Social Welfare Insurance) program. It is a subsidised income replacement scheme for informal sector workers, providing modest one-off cash benefits to members in case of sickness, work injury or death.

Contribution

To participate in the three schemes, workers contribute IDR 5,000 per month.

Benefits

For an employment injury, workers receive IDR 300,000 in cash, with maximum of one claim for each benefit per year. If no claim is made for three years, the participant will receive the accumulated amount of his/her contributions (IDR 180,000).

In **Law No. 40 of 2004 regarding the National Social Security System** (yet to be implemented), "Occupational injury insurance shall be administered to ensure

that participants receive the benefits of health services and cash compensation in the event of a work accident or work-related illness" (Article 29, paragraph 2). "A participant in the occupational injury insurance scheme is a person who has paid contributions" (Article 30).

Benefits

Occupational injury benefits include health services appropriate to the medical needs, and cash compensation in the case of permanent total disability or death (Article 31, paragraph 1). "Work accident insurance benefits in the form of cash compensation shall be paid at once to the heirs of a worker who has died and to a worker who suffers disability, with the amount depending on the degree of disability" (Article 31, paragraph 2).

"For certain services and certain accidents the employer will be required to share the costs" (Article 31, paragraph 3).

Contribution

Law No. 40 of 2004 sets the contribution for wage workers (formal sector workers) at a percentage of wages, borne entirely by the employer, while the contribution of non-wage workers is a nominal amount that will be determined periodically by the Government (Article 34, paragraphs 1 and 2).

- ♦ For informal workers, there is the same issue of low coverage as in the other Jamsostek programs.

The Askesos program has low coverage (a very small fraction of informal economy workers) and offers a low level of protection (only a small one-off benefit) regardless of the type and severity of injury.

Workers whose entitlement to family benefit is explicitly regulated in government regulations are civil servants and employees of state-owned enterprises.

Civil Servants

Government Regulation No. 7 of 1977 regarding Salary Regulations for Civil Servants contains provisions on family benefits for civil servants. This regulation was revised by Government Regulation No. 51 of 1992 regarding the Revision of Government Regulation No. 7 of 1977.

Article 15 of Government Regulation No. 7 of 1977 states that "Other than a basic salary, civil servants also receive: a) family allowance; b) functional allowance" (paragraph 1) and "Other than the allowances mentioned in paragraph 1, civil servants can also receive a food allowance and other allowances (paragraph 2). Article 16, as revised by Government Regulation No. 51 of 1992, states that "A civil servant who is married receives a wife/husband allowance in the amount of 10% of the basic salary" (paragraph 1) and "a civil servant who has a child/children or an adopted child who are under 21 (twenty-one) years old, are not married, do not have their own income, and are clearly the dependents of the civil servant, receives child allowance in the amount

II.5.5 Implementation Issues

II.6 Family Benefit

II.7 Maternity Benefit

of 2% of the basic salary for each child" (paragraph 2). "The conditions stipulated in paragraph 1 can be extended to 25 (twenty-five) years of age if the respective child/children are still in school" (paragraph 3). "The child allowance referred to in paragraph 2 and 3 is given for a maximum of 3 (three) children including 1 (one) adopted child" (paragraph 4). "In the event that both the husband and wife are civil servants, the family allowance is given to the one who has the higher basic salary" (paragraph 5).

State-Owned Enterprises

Government Regulation No. 23 of 1967 regarding Principal Salary Regulations for Employees of State-Owned Enterprises states that "Other than the basic salary, employees receive a family allowance, cost of living allowance, enterprise allowance and functional allowance in accordance with Articles 11 to 14 of this Government Regulation" (Article 9).

Article 10 regarding the family allowance states that "An employee who is married receives a wife/husband allowance in the amount of 5% of the monthly basic salary" (paragraph 1) and "An employee who has a child/children and/or adopted child who are under 18 (eighteen) years old, are not married, do not have their own income, and are clearly the dependents of the civil servant, receives a child allowance in the amount of 2% of the monthly basic salary for each child" (paragraph 2). "In the event that both the husband and wife are employees [of state-owned enterprises], the family allowance referred to in paragraphs 1 and 2 is given to the one who has the higher basic salary" (paragraph 5). "The child allowance for adopted children is given for only one adopted child" (paragraph 4) and "the wife allowance is given for only one wife" (paragraph 4).

Private Sector

For the private sector, the **Labour Law (No. 13 of 2003)** states only that "A wage is the right of the worker/labourer that is received and expressed in the form of money as remuneration from the entrepreneur or the employer to the worker/labourer, the amount of which is determined and paid according to a work contract, agreement, or laws and regulations, including allowances for the worker and his/her family for a job and/or service that has been performed or will be performed" (Article 1, subparagraph 30). Further regulations regarding family benefits or family allowances for the private sector are not available.

Regarding maternity benefit, the **Labour Law (Law No. 13 of 2003)** states that "Female workers are entitled to a rest period of 1.5 months prior to childbirth and 1.5 months after childbirth, based on the calculation of an obstetrician or midwife" (Article 82, paragraph 1) and "Female workers who experience a miscarriage are entitled to a rest period of 1.5 months, or according to a letter from the obstetrician or midwife" (Article 82, paragraph 2).

"Every worker who takes the rest period referred to subparagraphs b, c and d of paragraph 2 of Article 79; Article 80; and Article 82 is entitled to the full wage" (Article 84).

Article 153 stipulates that employers “are prohibited from terminating the employment of a worker due to pregnancy, childbirth, miscarriage, or breastfeeding” (Article 153, paragraph 1, subparagraph e).

Government Regulation No. 24 of 1976 regarding Leave for Civil Servants, in Article 19, states that “for the birth of the first, second and third child, female civil servants are entitled to maternity leave” (Article 19, paragraph 1). “For the birth of the fourth child and any children thereafter, female civil servants are entitled to unpaid leave” (Article 19, paragraph 1). “The length of the maternity leave referred to in paragraphs 1 and 2 is 1 (one) month prior to childbirth and 2 (two) months after childbirth” (Article 19, paragraph 1). “During the maternity leave, the respective female civil servants receive their full salary” (Article 21).

II.7.1 Civil Servants

In the Labour Law (**Law No. 13 of 2003**), stipulations regarding disability benefit are those related to occupational injury. Article 153 states that the employer is prohibited from terminating the employment of a worker/labourer because “the worker/labourer is permanently disabled, ill as a result of a work accident, or ill because of an employment relationship, whose period of recovery cannot be ascertained as attested to in a written statement made by the physician who treats him or her” (paragraph 1, subparagraph j).

Further, Article 172 regulates that “workers/labourers who are continuously ill for a very long time, who are disabled as a result of a work accident and are unable to perform their work may, after they have been in such a condition for more than the absenteeism limit of 12 (twelve) months consecutively, request that their employment be terminated, upon which they shall be entitled to receive severance pay amounting to twice the amount of the severance pay stipulated under paragraph (2) of Article 156, reward pay for the period of their employment amounting to twice the amount of such reward pay stipulated under paragraph (3) of Article 156, and compensation pay amounting to one time the amount of that which is stipulated under paragraph (4) of Article 156”.

Disability benefits other than for disabilities caused by occupational injury are not mentioned in the law.

In **Law No. 3 of 1992 on Employees’ Social Security**, disability benefit is mentioned in the provisions regarding occupational injury benefit and old age savings benefit. In Article 9, occupational injury benefit includes compensation for injuries that result in partial permanent disability or total permanent disability, both physical and mental. The amount of compensation is explained in the section on occupational injury above. Under the provisions on old age benefits, total permanent disability is also a condition that entitles workers to receive their old age savings (Article 14, paragraph 1).

Like the Labour Law, this law does not stipulate disability benefits other than for disabilities caused by occupational injury.

II.8 Invalidity Benefit

II.8.1 Private Sector

II.8.2 Civil Servants

Law No. 11 of 1969 regarding Pensions for Employees [Civil Servants] and Employees' Widows/Widowers stipulates that civil servants who can no longer work due to disability are entitled to a pension. However, if the disability is caused by occupational injury, the law sets no minimum period of employment, while for disabilities not caused by occupational injury civil servants must have been employed for a minimum of four years to receive a pension due to disability.

Article 9 regulates the requirements for receiving a pension. Article 1 states that to reserve the right to an employee pension, the retired civil servant has to be: a) at least 50 years old and have worked for 20 years or more; b) no longer able to work in any position due to a physical or mental condition caused by activities undertaken in the course of performing their duties; or c) have worked for at least 4 years and be no longer able to work in any position due to a physical or mental condition not caused by activities undertaken in the course of performing their duties.

II.8.3 The Poor

Law No. 4 of 1997 regarding Disabled Persons

The Law on Disabled Persons states that "The Government and/or society shall provide [for disabled persons]: 1) rehabilitation; 2) social assistance; and 3) social welfare maintenance" (Article 16).

As stated in the following articles, social assistance and social welfare maintenance are specifically targeted at disabled persons who are poor.

"Rehabilitation is intended to enable disabled persons to regain and improve their physical, mental and social ability so as to be able to perform their social function appropriate to their talent, ability, education and experience" (Article 17). "Rehabilitation is carried out in facilities provided by the Government and/or society" (Article 18, paragraph 1). "Rehabilitation as referred to in paragraph (1) includes medical rehabilitation, education, training, and social rehabilitation" (Article 18, paragraph 2).

"Social assistance is intended to help disabled persons to improve their social welfare" (Article 19). Social assistance as referred to in Article 19 is provided to: a) disabled persons who are poor, have undergone rehabilitation and are not yet employed; and b) disabled persons who are poor, have not undergone rehabilitation, have skills, and are not yet employed" (Article 20, paragraph 1). "Provisions regarding the form, amount, mechanism and implementation of social assistance as referred to in paragraph (1) shall be further governed by a Government Regulation" (Article 20, paragraph 2).

"Social welfare maintenance is intended to provide protection and services to disabled persons so that they can maintain a decent living" (Article 21). "The social welfare maintenance as referred to in Article 21 is provided to disabled persons who, due to the degree of disability, cannot be rehabilitated and are dependent on other people's assistance to carry out their daily activities" (Article 22, paragraph 1). "Provisions regarding the form, amount, and requirements of social welfare maintenance as referred to in paragraph (1) shall be further governed by a Government Regulation" (Article 22, paragraph 2).

Government Regulation No. 43 of 1998 regarding Measures to Improve Social Welfare for Disabled Persons provides provisions regarding the forms of social assistance and social welfare maintenance.

Article 56 states that “Social assistance is provided in the form of: a) material assistance; b) financial assistance; c) public facilities; and d) information” and the “Social protection in the forms referred to in Article 56 is administered by the Minister [of Social Affairs], is not permanent and is carried out in accordance with the objectives of social assistance” (Article 57, paragraph 1).

“The protection and services provided to maintain social welfare as referred to in paragraph 1 are implemented through the family or foster family and social institutions that provide care to the disabled person” (Article 60, paragraph 2).

Managed by the Ministry of Social Affairs, JSPACA (Jaminan Sosial Penyandang Cacat, or Social Security for Disabled Persons) is a cash transfer program for poor, severely disabled persons who are living outside of institutions. The program transfers IDR 300,000 (around USD 33) per month to the beneficiary. For disabled people who are living in institutions or charitable homes, the ministry transfers IDR 3,000 (around 33 US cents) per beneficiary via the institution.

Law No. 11 of 2009 regarding Social Welfare provides the legal basis for this program. Paragraph 1 of Article 9 states that social security is intended to: a) guarantee that the poor, orphans and abandoned children, mentally disabled persons, physically disabled persons, and persons with previous chronic illness who are socio-economically disadvantaged, are able to fulfil their basic needs; b)...” Paragraph 2 of Article 9 states that “the social security referred to in subparagraph (a) of paragraph 1 is provided in the form of social welfare insurance and direct and continuous transfers”.

Presidential Instruction No. 3 of 2010 regarding Pro Poor Development sets the target number of beneficiaries of these programs. In 2011, 19,500 disabled persons were targeted by the JSPACA program and 13,500 disabled persons were targeted by the institution subsidy program (Annex to Presidential Instruction No. 3 of 2010).

This number is still small compared to the estimated number of severely disabled people. The actual size of the population with disabilities is not known due to data limitations. The **Decree of the Minister of Social Affairs no. 06B/HUK/2010 regarding Social Welfare Provision in 50 Districts** states that “the number of severely disabled people according to the Social Welfare Database (Pusdatin) in 2008 was 1,544,184. However, this number is far below the actual number” (Chapter 1, page 10).

- ♦ Among informal workers, there are low coverage issues similar to those found in the other Jamsostek programs.

The severely disabled program (JSPACA) lacks a comprehensive and comparable database of disabled people. Different ministries have different definitions of disability, and the Central Bureau of Statistics data on disabled people does not provide any of the classifications (types, severity, multiple disabilities, etc.) that are necessary for targeting. The existing data in the Ministry's database are based on estimations. Assessing coverage is thus difficult.

II.8.4 Implementation Issues

II.9 Survivors' Benefit

II.9.1 Private Sector

According to the **Labour Law**, "If an employment relationship comes to an end because the worker dies, the worker's heirs shall be given a sum of money, the amount of which shall be equal to twice the amount of the severance pay as stipulated in subsection (2) of Article 156, reward pay for the period of employment amounting to 1 (one) time the amount stipulated in subsection (3) of Article 156, and compensation pay for entitlements according to subsection (4) of Article 156". [for Article 156, see the previous section about unemployment benefit].

Law No. 3 of 1992 regarding Employees' Social Security stipulates that "the heirs of workers who die due to causes other than occupational injury are entitled to survivor benefits [literal translation: death benefit]" (Article 12, paragraph 1).

Benefits

In **Law No. 3 of 1992**, "The survivor benefits as mentioned in paragraph 1 cover: a) funeral expenses, and b) compensation in the form of money" (Article 12, paragraph 2).

Government Regulation No. 76 of 2007 regarding the Fifth Amendment of Government Regulation No. 14 of 1992 (Article 22), as an elaboration of Law No. 3 of 1992, states that "the survivors' benefit shall be paid to the widow or widower or children of the deceased worker, in the form of: a) a lump sum compensation of IDR 10,000,000; b) periodic compensation of IDR 200,000 per month for 24 months; and c) funeral expenses of IDR 2,000,000".

Contribution

Article 9, paragraph 1 of Government Regulation No. 14 of 1992 sets the contribution for survivors' benefit at 0.3% of wages per month.

II.9.2 Informal Workers

Regulation of the Minister of Manpower and Transmigration No. 24 of 2006 provides the implementation guidelines for the social security program for workers outside an employment relationship. According to these guidelines, "Every worker who works outside an employment relationship, who is aged 55 or younger, can voluntarily participate in the Workers' Social Security program" (Annex to the Ministerial Regulation, Chapter III, Section C). The program includes a survivors' benefit scheme.

Contribution

For the survivors' benefit scheme, workers pay a contribution of 0.3% of their monthly income (Annex to the Ministerial Regulation, Chapter III, Section D)

Benefits

The survivors' benefit consists of: a) compensation for death; b) funeral expenses; c) periodic compensation (Annex to the Ministerial Regulation, Chapter III, Section F).

Askesos, the Social Welfare Insurance targeted at poor informal workers, provides a death compensation benefit as one of its three benefits. **Ministerial Decree No. 51 of 2003 regarding Social Security Programs for Vulnerable and Poor People** regulates the scheme.

Contribution

Contributions are set at IDR 5,000 per month.

Benefits

The death compensation benefit provides IDR 400,000 if the member dies in the first year of their membership, IDR 600,000 if in the second year of membership or IDR 800,000 if in the third year of membership. If no claim is made for three years, the participant will receive the accumulated amount of his/her contributions (IDR 180,000).

Stipulations regarding survivors' benefit for civil servants are included in **Law No. 11 of 1969 regarding Pensions for Employees [Civil Servants] and Employees' Widows/Widowers**.

Persons Protected

"In the event that a civil servant or pensioner dies, the wife(wives) of a male civil servant and the husband of a female civil servant who has been registered with the Human Resource Office, is entitled to the widow/widower pension" (Article 16, paragraph 1). "In the event that the civil servant or pensioner dies and he/she has no wife/husband who is registered for the widow/widower pension, deviating from the provision in paragraph 1 of this Article, the widow/widower pension is given to the wife/husband who is present at the time of death. In the event that a male civil servant or pensioner has more than one wife, the widow pension is given to the wife who is present and has been married to him for the longest period" (Article 16, paragraph 2).

"In the event that a civil servant or pensioner dies while he/she has no wife/husband who is entitled to the widow/widower pension or part of the widow pension as referred to in Article 17 of this law, the following shall apply: a) the widow/widower pension shall be given to the child/children, if there is only one category of children from the same father and mother; b) one part of the widow/widower pension shall be given to each category of children from the same father and mother; c) the widow/widower pension is given to the child/children" (Article 18, paragraph 1).

"In the event that a male civil servant or pensioner dies while he has a wife(wives) who are entitled to the widow pension of part of the widow pension and he has children from another wife(wives) who have died or divorced him, part of the widow pension shall be given to each wife and each category of children from the same father and mother" (Article 18, paragraph 2).

"A child/children whose mother and father served as civil servants and have both died, shall be given either one widow/widower pension, one part of the widow/widower pension, or one widow/widower pension, whichever is most beneficial" (Article 18, paragraph 3).

"The child/children who are entitled to the widow/widower pension or part of the widow/widower pension referred to in paragraphs 1 and 3 of this Article are those who, at the time of the civil servant/pensioner's death: a) are under 25 years of age; b) do not have their own income; c) are not married or have never been married" (Article 18, paragraph 3).

"The child/children who can be registered for the right to the widow/widower pension or part of the widow/widower pension referred to in Article 18 are: a) the child/children of a civil servant or pensioner from his/her marriage with his/her wife (or wives)/husband who are registered for the widow/widower pension; and b) the child/children of a female civil servant or pensioner" (Article 19, paragraph 4).

"In the event that a civil servant is killed [in or due to performing his/her duties], and the civil servant has no wife/husband or children, 20% of the widow/widower pension referred to in Article 17 shall be given to his/her parents" (Article 20, paragraph 1). "In the event that the parents are divorced, they will each be given half of the amount referred to in paragraph 1 of this Article" (Article 20, paragraph 2).

Calculation of Benefit

"The monthly amount of the widow/widower pension is 36% of the pension basis, with the provision that if there is more than one wife who is entitled to the widow pension, the part of the widow pension for each wife shall be 36%, equally divided by the number of wives" (Article 17, paragraph 1). "The amount of 36% of the pension basis as referred to in paragraph 1 of this Article should not be less than 75% of the lowest basic salary as governed by the Government Regulation regarding salaries and the rank applicable to the deceased husband or wife" (Article 17 paragraph 2).

"In the event that a civil servant is killed [in or due to performing his/her duties], the amount of widow/widower pension is 72% of the pension basis, with the provision that if there is more than one wife who is entitled to the widow pension, the part of the widow pension for each wife shall be 72%, equally divided by the number of wives" (Article 17 paragraph 3). "The amount of 72% of the pension basis as referred to in paragraph 3 of this Article should not be less than 75% of the lowest basic salary as governed by the Government Regulation concerning salaries and the rank applicable to the deceased husband or wife" (Article 17 paragraph 4).

Provisions regarding survivors' benefit for members of the military and civil servants in the Ministry of Defence are included in Law No. 67 of 1991 regarding Armed Forces' Social Insurance.

"The rights of the participants include: a) insurance benefit; b) death compensation benefit; c) cash benefit; and d) funeral expenses" (Article 8). "Death compensation and cash benefits are given to the legal heirs of participants who died in combat or died because of, or while performing, their duty" (Article 9, paragraph 2) and "funeral expenses are given to the legal heirs of participants who died with the status of pensioner" (Article 9, paragraph 4).

Law No. 40 of 2004

According to Article 43 of Law No. 40 of 2004, "A life insurance scheme is to be administered with the aim of providing compensation to the heirs of a participant in the event of his or her death" (paragraph 1).

Benefits

According to **Law No. 40 of 2004**, the amount of the life insurance benefits shall be determined based on a nominal value, to be further governed by a Government Regulation (Article 45, paragraphs 2 and 3).

Contribution

Law No. 40 of 2004 states that the contribution for a wage worker [formal worker] is set at a percentage of wages, borne by the employer, while that of a non-wage worker [informal worker] is a nominal amount that will be borne by the participant (Article 46).

As in other Jamsostek schemes, low coverage among formal workers in the private sector despite mandatory participation in the Jamsostek program is an apparent drawback.

Askesos barely qualifies as survivor's benefit. Even compared to the funeral expenses paid by other schemes (e.g. Jamsostek), Askesos' one-off benefit is significantly smaller.

II.9.5 Implementation Issues

