



“OMNIBUS LAW IMPLEMENTING REGULATIONS”

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Omnibus Law as **accelerator** to recovery and post-pandemic economic growth

Omnibus Law on Job

-  Improving Investment Ecosystem and Business Activities
-  Land Procurement
-  Central Government Investment and Ease of National Strategic Project
-  Ease, Protection, and Empowering of MSMEs as well as Cooperative
-  Ease of Doing Business
-  Employment
-  Economic Zones
-  Sanctions
-  Support to Research and Innovation
-  Implementation of Government Administration to Support Job Creation

Economic Transformation

Masalah Fundamental Over Regulation

- Number of Central & Regional regulations = 43,604

Competitiveness

- Less conducive business ecosystem
- Inefficient bureaucracy
- *High cost economy* that hinders exports

Employment

- Productive age is dominant but with low productivity
- The number of workers who are not working and not working full time reached 45.8 million (34.3%)

Licensing & Ease of Doing Business

- Licensing approach
- Complicated and Overlapping
- Start and doing business are not easy

MSMEs and Cooperatives

- Complicated Licensing
- Many do not have a legal entity (Informal)
- Lack of Protection and Facilitation

Legal certainty

- Criminal sanctions for administrative errors

National Economy

 Growth


 Equality

 Protection

 Competitiveness

Advanced Indonesia 2045

 Global's Top 5 Economies

 Out from *middle-income trap*

 GDP USD 7,4 trillion

 Poverty Rate 0%

 Competitive workforce

Development of Implementing Regulations for the Job Creation Law

The government has completed 51 implementing regulations consisting of 47 government regulations and 4 presidential regulations

The implementing regulations are grouped into 11 regulatory clusters, namely:

1. Spatial (4)
2. Land and Land Rights (5)
3. Environment (1)
4. Construction and Housing (6)
5. Cooperatives and SMEs (4)
6. Investment (6)
7. Fiscal (3)
8. Employment (4)
9. Economic Zone (2)
10. Government Goods / Services (1)
11. Licensing and Sector Business Activities (15)



Regulations

- The ministry immediately makes internal implementation standards or guidelines no later than 2 months after the implementing regulations are enacted



Public Communication

Ministries / Institutions held intensive socialization in the form of electronic media and leaflets



Infrastructure and Supporting System

- OSS and Supporting System will be ready for operation in July 2021
- Readiness of Ministries / Agencies and Local Governments in providing networks, tools, and consultations



Human Resources

Training for OSS Operators and Supervisors



51 Regulations for Job Creation Law (Substance Grouping)

Spatial

1. Government Regulation No. 21 of 2021 concerning the Implementation of Spatial Planning
2. Government Regulation No. 43 of 2021 concerning Settlement of Inconsistencies in Spatial Planning, Forest Areas, Permits, and / or Land Rights
3. Government Regulation No. 45 of 2021 concerning the Implementation of Geospatial Information
4. Presidential Regulation No. 11 of 2021 concerning Cooperation between the Central Government and State-Owned Enterprises in Providing Basic Geospatial Information

Land and Land Rights

1. Government Regulation No. 18 of 2021 concerning Management Rights, Land Rights, Apartment Units and Land Registration
2. Government Regulation No. 19 of 2021 concerning Implementation of Land Acquisition for Development for Public Interest
3. Government Regulation No. 20 of 2021 concerning Control of Neglected Areas and Lands
4. Government Regulation No. 23 of 2021 concerning Forestry Implementation
5. Government Regulation No. 24 of 2021 concerning Procedures for Imposing Administrative Sanctions and Procedures for Non-Tax State Revenues Derived from Administrative Fines in the Forestry Sector

Environment

1. Government Regulation No. 22 Year 2021 concerning Implementation of Environmental Protection and Management

Construction and Housing

1. Government Regulation No. 12 of 2021 concerning Amendments to Government Regulation No. 14 of 2016 concerning Implementation of Housing and Settlement Areas
2. Government Regulation No. 13 of 2021 concerning the Implementation of Flats
3. Government Regulation No. 14 of 2021 concerning Amendments to Government Regulation No. 22 of 2020 concerning Implementation Regulations of Law No. 2 of 2017 concerning Construction Services
4. Government Regulation No. 15 of 2021 concerning Implementation Regulations of Law No. 6 of 2017 concerning Architects
5. Government Regulation No. 16 of 2021 concerning Implementation Regulations of Law No. 28 of 2002 concerning Buildings
6. Presidential Regulation No. 9 of 2021 concerning the Agency for the Acceleration of Housing Management

Cooperatives and SMEs

1. Government Regulation No. 34 of 2021 concerning the Use of Foreign Workers
2. Government Regulation No. 35 of 2021 concerning Specific Time Work Agreements, Transfer, Working Hours and Breaks, and Termination of Employment
3. Government Regulation No. 36 of 2021 concerning Wages
4. Government Regulation No. 37 of 2021 concerning the Implementation of the Job Loss Guarantee Program

51 Regulations for Job Creation Law (Substance Grouping)

Investment

1. Government Regulation No. 42 of 2021 concerning the Ease of National Strategic Projects
2. Government Regulation No. 44 of 2021 concerning Implementation of the Prohibition of Monopolistic Practices and Unfair Business Competition
3. Government Regulation No. 48 of 2021 concerning Third Amendment to Government Regulation No. 31 of 2013 concerning Implementation Regulations of Law No. 6 of 2011 concerning Immigration
4. Presidential Regulation No. 10 of 2021 concerning the Investment Business Field
5. Government Regulation No. 73 of 2020 concerning Investment Management Institutions².
6. Government Regulation No. 74 of 2020 concerning Authorized Capital for Management Institutions Investation

Fiscal

1. Government Regulation No. 9 of 2021 concerning Tax Treatment to Support Ease of Doing Business
2. Government Regulation No. 10 of 2021 concerning Regional Taxes and Regional Levies in the Framework of Supporting Ease of Doing Business and Regional Services
3. Government Regulation No. 49 of 2021 concerning Taxation Treatment of Transactions Involving Investment Management Institutions and / or Entities They Own

Employment

1. Government Regulation No. 34 of 2021 concerning the Use of Foreign Workers
2. Government Regulation No. 35 of 2021 concerning Specific Time Work Agreements, Transfer, Working Hours and Breaks, and Termination of Employment
3. Government Regulation No. 36 of 2021 concerning Wages
4. Government Regulation No. 37 of 2021 concerning the Implementation of the Job Loss Guarantee Program

Economic Zone

1. Government Regulation No. 40 of 2021 concerning the Implementation of Special Economic Zones
2. Government Regulation No. 41 of 2021 concerning the Implementation of Free Trade Zones and Free Ports

Government Goods / Services

1. Presidential Regulation No. 12 of 2021 concerning Amendments to Presidential Regulation No. 16 of 2018 concerning Government Procurement of Goods / Services

51 Regulations for Job Creation Law (Substance Grouping)

Licensing and Sector Business Activities

1. **Government Regulation No. 5 of 2021 concerning Implementation of Risk-Based Business Licensing**
2. **Government Regulation No. 6 of 2021 concerning the Implementation of Business Licensing in Regions**
3. **Government Regulation No. 25 of 2021 concerning the Implementation of the Sector of Energy and Mineral Resources**
4. **Government Regulation No. 26 of 2021 concerning the Implementation of the Agricultural Sector**
5. **Government Regulation No. 27 of 2021 concerning the Implementation of the Marine and Fisheries Sector**
6. **Government Regulation No. 28 of 2021 concerning the Implementation of the Industrial Sector**
7. **Government Regulation No. 29 of 2021 concerning the Implementation of the Trade Sector**
8. **Government Regulation No. 30 of 2021 concerning Implementation of the Road Traffic and Transportation Sector**
9. **Government Regulation No. 31 of 2021 concerning the Implementation of the Shipping Sector**
10. **Government Regulation No. 32 of 2021 concerning the Implementation of the Aviation Sector**
11. **Government Regulation No. 33 of 2021 concerning the Implementation of the Railway Sector**
12. **Government Regulation No. 38 of 2021 concerning Accompanying Accounts for Umrah Travel Expenses**
13. **Government Regulation No. 39 Year 2021 concerning Implementation of the Halal Product Guarantee Sector**
14. **Government Regulation No. 46 of 2021 concerning Post, Telecommunication and Broadcasting**
15. **Government Regulation No. 47 of 2021 concerning the Implementation of Hospitalization**

Licensing/Investment



a. Licensing

I

PP No. 5/2021 on Risk-based Approached to Investment Licensing

II

PP No. 6/2021 on Investment Licensing at Regional Level

b Investment

III

Presidential Reg. (Perpres) no 10/2021 on Positive List of Investment

IV

PP No. 74/2020 on Authorized Capital for Management Institutions Investation

Risk-based Business Licensing

Based on PP No. 5/2021 on Risk Based Approach (RBA) Business Licensing includes the following steps:



I. Implementation of Risk Based Licenses Encourage Government Services to be Efficient and Easy

Licensing Reform

The implementation of Job Creation Law reforms business licensing regulations by implementing Risk-based Norms, Standards, Procedures, Criteria

Licenses based approach



Risk based approach

Government Regulation No. 5/2021.

Purpose:

- A more effective and simpler business license issuance
- integrated supervision of business activities that is more transparent, structured and accountable

High Risk

Business Identification Number + Permit

- Pengesahan PKPLH - UKL/UPL atau AMDAL - SKKL

Medium High Risk

Business Identification Number + Standard Certification (Verification)

- Pengesahan PKPLH - UKL/UPL

Medium Low Risk

Business Identification Number + Standard Certification (Self Declare)

- Pengesahan PKPLH - UKL/UPL melalui sistem OSS

Low Risk

Business Identification Number



Terms of Supervision on Business Activities under the RBA

Supervision is applicable only on business with middle to high risks level

Supervisions are done to ensure compliance of business activities to applicable business standard

High compliance = reduced frequency of supervision

Supervision on MSMEs are non-punitive (empowerment)

Violation results in administrative sanctions

II. Centralized, Uniformed & Business Friendly Investment Services at National & sub-National Level

Government Regulation No. 6/2021 on Investment Licensing at Sub-national Level reduces investment realization red tapes and bureaucratic mis-coordination at national & regional level by:

Integration of all gov services on investment at local level into OSS
(Online Single Submission)

Delegation of local gov authority to issue all local business permits to DPMPTSP
(local investment agency integrated to BKPM and OSS)

Standardized services in investment and its management per national regulation on investment & OSS standard of services

Services includes investment registration, updated information, consultation, legal assistance, public dissemination, & complaints handling

Free-of-charge investment registration, consultation & de-bottlenecking services at DPMPTSP

Mandatory national coordination prior to issuing new local regulations affecting investment/business activities

Regular monitoring, reporting & evaluation on real-life practices with severe administrative sanctions upon local gov violation

IMPROVING INVESTMENT CLIMATE

ONLINE SINGLE SUBMISSION (OSS) HAS BEEN LAUNCHED IN 2018



OSS is a web-based business licensing system intended to cut the red tape involved in obtaining business permits and integrated between the central government and regional administrations

Sectors

Environment & Forestry Sector	Electricity Sector	Public Works & Housing Sector	Health Sector	Industry Sector
Marine & Fishery Sector	Medicine & Food Sector	Transportation Sector	Trade Sector	Information & Communication Sector
Other Sector				

The Advantage of Using OSS



Business licenses can be secured in under an hour



Standardized business licenses are available



Electronically integrated



More practical



Accessible at anytime and anywhere



The whole licensing process is monitored by the Task Force

III. Investment Priority List in the Presidential Regulation No. 10 of 2021 for the Investment Business Sector



The government provides positive sentiment to the business world by **establishing policies for regulating business sectors that are more open (positive) and priority.**

PRESIDENTIAL REGULATION OF INVESTMENT BUSINESS FIELDS

246 PRIORITY BUSINESS FIELDS

given fiscal incentives and and non-fiscal, a.l. Tax Allowance and Tax Holiday

90 AREAS OF BUSINESS FIELDS OR PARTNERSHIP WITH COOPERATIONS AND MSMEs

46 BUSINESS FIELDS WITH SPECIFIC REQUIREMENTS

> 1700 OTHER OPEN FIELDS OF BUSINESS

(domestic / foreign / joint venture) without conditions

Priority Business Field Criteria

- National Strategic Programs / Projects;
- Capital Intensive;
- Labor intensive;
- High technology;
- Pioneer Industry;
- Export Orientation; and / or
- Orientation in Research, Development and Innovation Activities.

Incentives provided

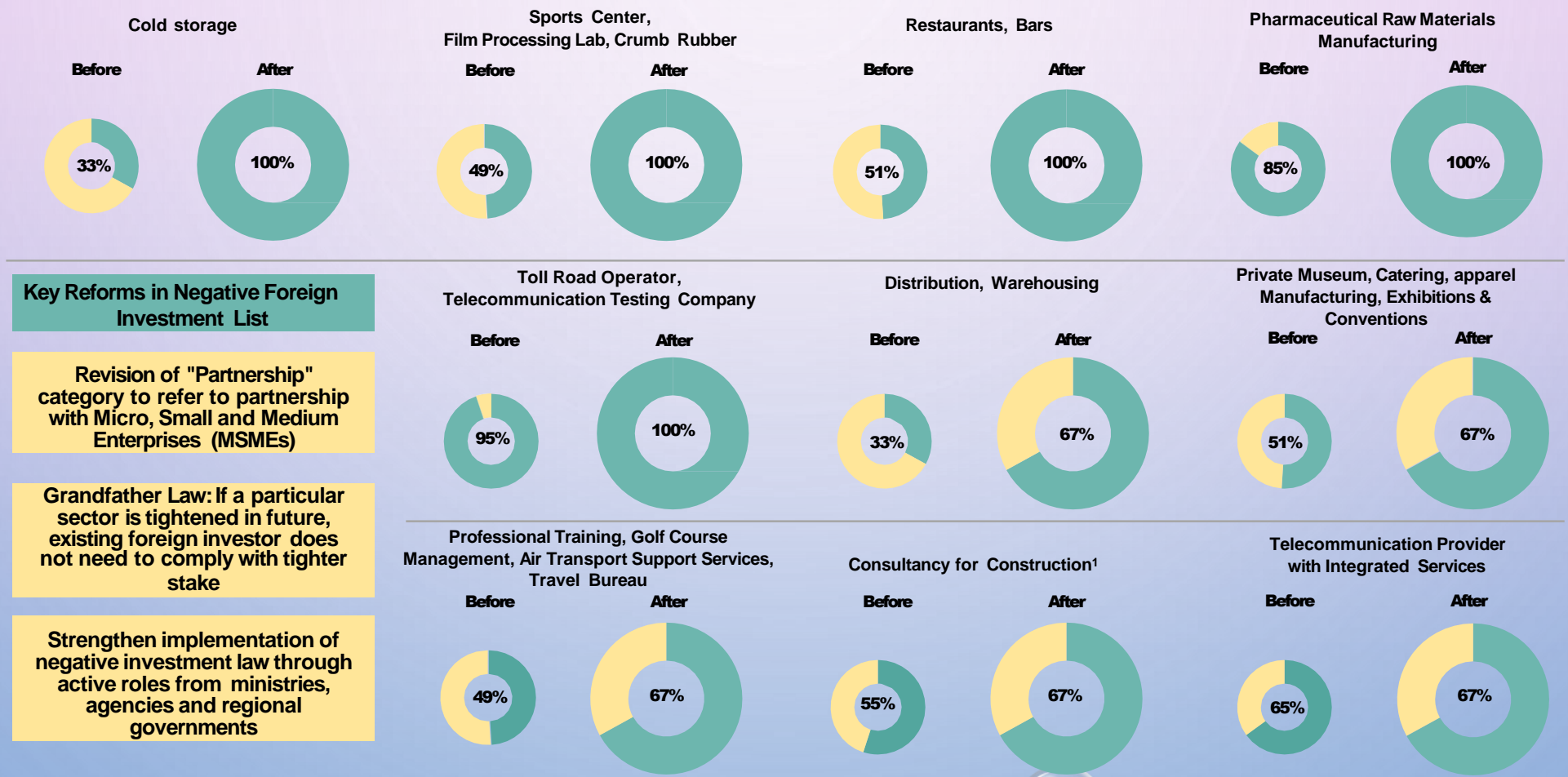
- **Tax Incentives:**
 - Tax Holiday;
 - Tax Allowance;
 - Investment Allowance
- **Customs and excise incentives** (free of import duty on industrial construction machinery and materials)
- **Non-fiscal incentives** (ease of business licensing, provision of supporting infrastructure, guaranteed energy availability, raw materials, immigration, labor, etc.)
- **Other incentives according to regulations**

- With a positive approach, the **Government provides assurance that in principle all business fields are open to investment, which is declared closed by law. The investment value for Mandatory PMA is > IDR 10 billions.**
- This openness takes into account the protection and empowerment of MSMEs.
- The government also provides information on **the direction of investment policy in Indonesia** by determining **business fields that are the Government's priorities.**
 - Business sectors that are closed for investment are based on national interests, propriety principles and international conventions, including: a. Narcotics Cultivation and Production Category I b. Gambling and Casinos, c. Fishing of Species Listed in CITES Appendix I, d. Utilizing (collecting) natural coral / rock, e: Chemical Weapons Manufacturing Industry, f. Ozone Depleting Substance Industry.

IMPROVING INVESTMENT CLIMATE

...REVISION OF THE NEGATIVE INVESTMENT LIST IN 2018

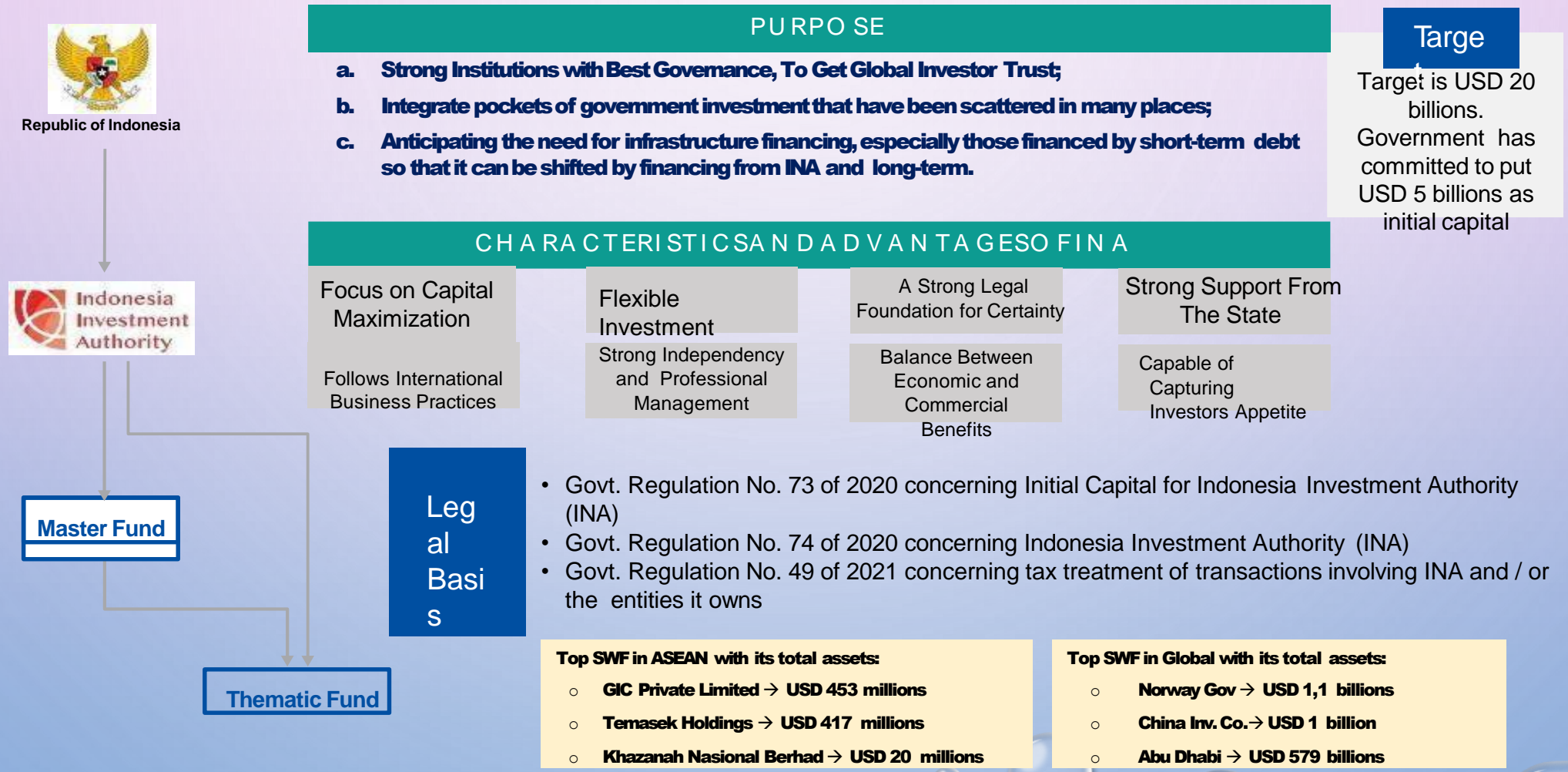
Introduction of New Foreign Ownership Regulation for Strategic Sectors



¹ For total project value of IDR10bn and above

IV. INDONESIA INVESTMENT AUTHORITY (INA) AS AN ALTERNATIVE SOURCE OF ECONOMIC DEVELOPMENT FINANCING

The government has established an Indonesia Investment Authority (INA) as alternative financing and provides legal certainty. Currently, all the modalities are complete to run the Authority, such as regulation, the Supervisory Board and Board of Directors, and initial capital



Employment/ Manpower



I

PP No 34/2021: the Use of Foreign Workers

II

PP No. 35/2021 Employment Relations, Working Time and Rest Time, and Termination of Employment

III

PP No. 36/2021: Wages

IV

PP No 37/2021 the Implementation of the Job Loss Guarantee Program (JKP)

Implementing Regulations on Employment Cluster of Job Creation Law

The Government has ratified various derivative regulations in the form of Government Regulations promulgated on February 2, 2021 :

1

PP No. 34 of 2021 concerning the Use of Foreign Workers

- Principles of using TKA
- Ratification of the RPTKA
- RPTKA exemptions
- Obligations of the TKA employer

2

PP No. 35 of 2021 concerning Fixed Term Work Agreement, Transfer of Power, Working and Resting Time, and Layoffs

- Employment Relations and Layoffs
- Working Time and Rest Time

3

PP No. 36 of 2021 concerning Wages

- Hourly Wages
- Minimum wage
- Wages at MSE
- Wage Council

4

PP No. 37 of 2021 concerning the Implementation of Job Loss Guarantee

- The principles of implementation
- membership
- Administration of governance
- benefits
- Funding

GOVERNMENT REGULATIONS CONCERNING LABOR



USE OF THE FOREIGN WORKERS (TKA)

Restrictions on The Use of Foreign Workers

1. Employed in an employment relationship for a certain position and period of time.
2. Prohibited from occupying a position in charge of personnel.
3. The positions that may be occupied are determined by Manpower Minister



Concurrent Position Rules

- Employers can employ the foreign workers who are already employed by other foreign workers.
- The term of expatriate who concurrently holds a position is no longer than the period of ratification of the Manpower Planning of Foreign Workers (RPTKA) of the first employer
- Concurrent positions as:
 - Directors and commissioners
 - TKA in the vocational, digital economy, and oil and gas sectors

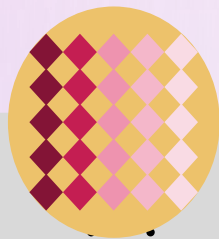
Types and Period of Times in RPTKA's Ratification

- a. **For temporary work**, for example conducting audits, inspections, quality control, installation of machinery, electrical, sales services or products within the exploration period, a maximum of 6 months and this cannot be extended.
- b. **For work > 6 months**, the maximum is 2 years and can be extended for 2 years.
- c. **For Special Economic Zone (KEK)**, a maximum of 5 years and can be extended for 5 years, for directors and commissioners is given only once and is valid during their tenure.
- d. **Ratification of RPTKA is excluded** for directors or commissioners with certain share ownership and foreign workers required for the activities type such as production interrupted due to emergencies, vocational studies, technology start-ups, business visits, and research for a certain period of time.

(Article 17 of PP 34/2021)



Exceptions for Ratification of RPTKA



Directors or Commissioners with **certain shareholdings or shareholders** according to the investment facility regulations.



Diplomatic and consular employees at representative offices of foreign countries.



TKA required for the following types of activities:

- a. Production stopped due to emergencies** (unplanned conditions caused by disasters, main engine failure, riots / demonstrations / riots which need to be handled immediately to avoid fatal losses to the company / general public);
- b. Vocational** (vocational education and vocational training);
- c. Technology-based startups** (technology-based companies with certain capital, including digital fintech & tech startups);
- d. Business visits** (business talks, giving lectures or attending seminars, participating in international exhibitions, attending meetings held with the head office or representatives in Indonesia);
- e. Research for a certain period of time** (intended for scientific research).

Temporary Worker: Flexible & Workers are Protected

Temporary worker regulations have become **flexible and adaptive to business dynamics**. Temporary workers can be implemented for 3 bases:

1. **Based on the period of time**, the maximum period is 5 years, can be extended with the entire period of the first term and the extension is not more than 5 years.
2. **Based on the completion of work**, the deadline is in accordance with the agreed completion of work. In case the work is not finished, it can be extended until the work is finished.
3. **Based on certain other jobs**, the nature of the work changes in terms of time and volume of work and payment of workers' wages based on attendance. The period is not more than 20 days per month.

As additional **protection for temporary workers**, at the end of the work agreement, workers are given:

1. **Compensation money** equal to one month's wages for every one year of service, proportional calculation applies.
2. Benefits from the new social security program: **Unemployment Insurance**. Source of funds from the government budget and recomposition of other workers' social security contributions (JKK & JKM). There are no additional contributions from employers or workers



Minimum Wage



- ✓ The Minimum Wage in Indonesia is only the Provincial Minimum Wage or District / City Minimum Wage. **There is no longer a sectoral minimum wage.**
- ✓ The annual minimum wage formula is determined based on the variable **economic growth or inflation at the provincial level.** (Prior to the Omnibus law, minimum wage increases were calculated based on ~~economic growth and inflation at the national level.~~)

Working Hours

- ✓ There are **new working time** arrangements to **accommodate the gig economy era.** Work time can be done in **less than 7 hours per day and less than 35 hours per week.** This type of work time is devoted to:
 1. a job that can be completed in less than 7 hours per day;
 2. jobs that can be done with flexible time, as well; or
 3. the job can be done outside the work location.
- ✓ **Overtime has increased** from the previous maximum of 3 hours per day and 14 hours per week to a **maximum of 4 hours per day and 18 hours per week.**



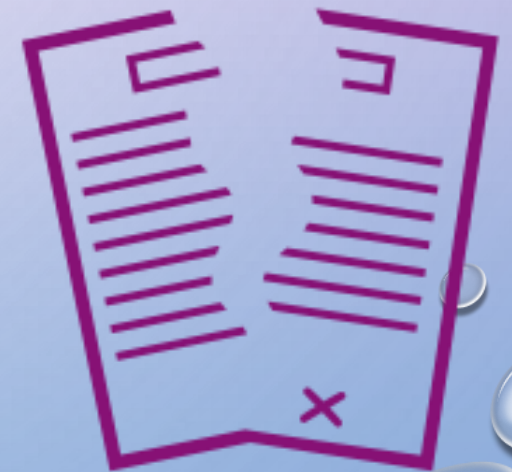
Outsourcing



- ✓ There are **no more restrictions on the types of work that can be outsourced** to other companies.
- ✓ The **labor law only focuses on regulating worker protection**, no longer regulates business relations matters, especially outsourcing agreements.
- ✓ Protecting the rights of outsourced workers is entirely **the responsibility of the outsourcing company**.

Termination of Employment

- ✓ **Termination is carried out through notification to workers**, this shortens the process compared to the previous one, which required the establishment of a dispute resolution agency.
- ✓ In case the worker refuses the termination, the worker can resolve it through a **dispute resolution institution**.
- ✓ **The multiplier of severance pay and termination compensation decreased** compared to the pre-omnibus law arrangement.



Reasons of Termination & The Amount of Compensation

No.	Reasons for Termination	Before Omnibus Law	After Omnibus Law	Note
1	Efficiency caused by the company experiencing losses	2x Severance pay, 1x UPMK, 1x UPH	0,5x Severance pay, 1x UPMK, 1x UPH	↓
2	Retirement Workers	2x Severance pay, 1x UPMK, 1x UPH	1,75x Severance pay, 1x UPMK, 1x UPH	↓
3	<p>a. Efficiency to prevent company losses</p> <p>b. The company closed because it was not because the company suffered a loss.</p> <p>c. There is an application for dismissal that is filed by a worker/ laborer on the grounds that the entrepreneur has committed an act in Article 154A paragraph (1) letter g of the UUK.</p>	2x Severance pay, 1x UPMK, 1x UPH	1x Severance pay, 1x UPMK, 1x UPH	↓
4	The company is closed because the company has suffered a continuous loss for 2 (two) years or has experienced a loss not continuously for 2 (two) years	<p>Consecutive loss:</p> <p>1x Severance pay, 1x UPMK, 1x UPH</p> <p>Loss is not consecutive:</p> <p>2x Severance pay, 1x UPMK, 1x UPH</p>	0,5x Severance pay, 1x UPMK, 1x UPH	↓

Note: **UPMK** : Uang Penghargaan Masa Kerja / Money Paid as Reward for Service Rendered

UPH : Uang Penggantian Hak / Compensation Pay for Rights

Uang Pisah: Detachment Money

Reasons of Termination & The Amount of Compensation

No.	Reasons for Termination	Before <i>Omnibus Law</i>	After <i>Omnibus Law</i>	Note
5	Merger, consolidation or separation of companies and workers / laborers is not willing to continue working relations or entrepreneurs are not willing to accept workers / laborers	Entrepreneurs initiative: 2x Severance pay, 1x UPMK, 1x UPH Worker Initiative: 1x Severance pay, 1x UPMK, 1x UPH	1x Severance pay, 1x UPMK, 1x UPH	↓
6	a. The company closes due to force majeure b. Bankrupt Company; c. Workers violate the provisions stipulated in the Work Agreement, Company Regulation, or Collective Bargaining Agreement and have previously been given the warning letters respectively. d. Takeover of a company which results in a change in working conditions and the worker / laborer is not willing to continue the work relationship.	1x Severance pay, 1x UPMK, 1x UPH	0,5x Severance pay, 1x UPMK, 1x UPH	↓
7	Workers are unable to perform work for 6 (six) months or The court decides the criminal case due to being detained by the authorities for alleged crimes related to the loss of the Company.	1x UPMK, 1x UPH	1x UPH, Uang Pisah	↓

Reasons of Termination & The Amount of Compensation

No.	Reasons for Termination	Before <i>Omnibus Law</i>	After <i>Omnibus Law</i>	Note
8	force majeure that did not cause the Company to close.	-	0,75x Severance pay, 1x UPMK, 1x UPH	New
9	The company is in a state of Postponement of Debt Payment Obligations (PKPU) because the company is experiencing a loss.	-	0,5x Severance pay, 1x UPMK, 1x UPH	New
10	The company is in a state of Postponement of Debt Payment Obligations (PKPU) not because the Company incurs a loss.	-	1x Severance pay, 1x UPMK, 1x UPH	New
11	Workers commit violations of an urgent nature stipulated in the Work Agreement, PP/ PKB.	-	1x UPH, Uang Pisah	New
12	Takeovers of companies and layoff initiatives are carried out by entrepreneurs	-	1x Severance pay, 1x UPMK, 1x UPH	New
13	a. Workers who resign on their own accord b. Workers are absent for 5 (five) working days or more consecutively without written information	1x UPH, Uang Pisah	1x UPH, Uang Pisah	=
14	a. Worker dies b. Workers have prolonged illness or disability due to work accidents	2x Severance pay, 1x UPMK, 1x UPH	2x Severance pay, 1x UPMK, 1x UPH	=

Reasons of Termination & The Amount of Compensation

No.	Reasons for Termination	Before Omnibus Law	After Omnibus Law	Note
15	<p>a. Workers are unable to perform work for 6 (six) months due to being detained by the authorities for allegedly committing a crime unrelated to the loss of the Company.</p> <p>b. The court decides the criminal case prior to the expiration of the 6 (six) month period for Criminal Acts which are not related to company losses and the Worker is found guilty.</p>	1x UPMK, 1x UPH	1x UPMK, 1x UPH	=
16	There is a Industrial Relations institution decision stating that the entrepreneur has not committed an act in Article 154A paragraph (1) letter g of the UUK.	1x UPH	1x UPH, Uang Pisah	↑

Note: **UPMK** : Uang Penghargaan Masa Kerja / *Money Paid as Reward for Service Rendered*
UPH : Uang Penggantian Hak / *Compensation Pay for Rights*

Uang Pisah: *Detachment Money*

Employers who enroll Workers in the pension program in accordance with the laws and regulations on pension funds, **the contributions paid by the employer can be calculated as part of fulfilling the employer's obligations for severance pay, UPMK, and detachment money.**



The Amount of Termination of Employment Relationship (PHK)'s Compensation

SEVERANCE PAY

Term of Office (MK) (in years)	Amount of Severance Pay
$MK < 1$	1 month of wages
$1 \leq MK < 2$	2 months of wages
$2 \leq MK < 3$	3 months of wages
$3 \leq MK < 4$	4 months of wages
$4 \leq MK < 5$	5 months of wages
$5 \leq MK < 6$	6 months of wages
$6 \leq MK < 7$	7 months of wages
$7 \leq MK < 8$	8 months of wages
$MK \geq 8$	9 months of wages

TENURE AWARD

Term of Office (MK) (in years)	Amount of Tenure Award (UPMK)
$3 \leq MK \leq 6$	2 months of wages
$6 \leq MK < 9$	3 months of wages
$9 \leq MK < 12$	4 months of wages
$12 \leq MK < 15$	5 months of wages
$15 \leq MK < 18$	6 months of wages
$18 \leq MK < 21$	7 months of wages
$21 \leq MK < 24$	8 months of wages
$MK \geq 24$	10 months of wages

(Article 156 of UUK & Article 40 of PP 35/2021)

COMPENSATION OF RIGHT

- Annual leave that has not been taken and has not expired;
- Fees or return fare for workers/laborers and their family to the place where workers/laborers are accepted to work;
- Other matters that are stipulated in the PK, PP / PKB.

Note about Compensation of Right:

This 15% housing replacement money as well as medication and care has been **removed at the level of the law.**



KADIN INDONESIA

Thank you