



JOB LOSS SECURITY PROGRAM IN INDONESIA

PROGRAM JAMINAN KEHILANGAN PEKERJAAN (JKP)

JOB LOSS SECURITY PROGRAM (PROGRAM JAMINAN KEHILANGAN PEKERJAAN/JKP)

- **The program was established in 2020 and began operations on 2021.**

JKP program is part of National Social Security System.

- **Objectives**

To protect workers and their families from social and economic shocks due to the cessation of income as a result of termination of employment, and also to promote workers back into labour market.

- **Social Insurance**
- **Organized by central government and social security agency for employment (BPJS Ketenagakerjaan)**

SCHEME (1/2)

Eligibility	<p>Wage earners in private sector enterprises who are:</p> <ul style="list-style-type: none"> - Indonesian nationals; - Maximum 54 years old at the time of registration; - Workers with employment contract in the form of employment agreements for an unspecified period (Indefinite-Term Employment Agreement) or employment agreements for a specified period (Fixed-Term Employment Agreement); - Registered in 5 other social security programs (The National Health Insurance, Working Accident Insurance, Death Protection, Old Age Protection, and Pension Protection) for workers in large & medium enterprises or 4 other programs (excl. Pension Protection) for workers in small & micro enterprises.
Financing	<ul style="list-style-type: none"> - Monthly contribution of 0.46 percent of the employee's monthly wages, with maximum ceiling of IDR 5,000,000. - 0.24 percent of the total contribution is taken from recomposition of work-injury program (Working Accident Insurance) and life insurance program (Death Protection), and 0.22 percent of the total contribution is subsidized by the Central Government
Benefit Package	<ul style="list-style-type: none"> - Cash Benefit, provided monthly for maximum of 6 (six) months of wages with following conditions: <ul style="list-style-type: none"> a. 45% of wages for the first 3 months b. 25% of wages for the next 3 months - Access to Labor Market Information. - Vocational Training

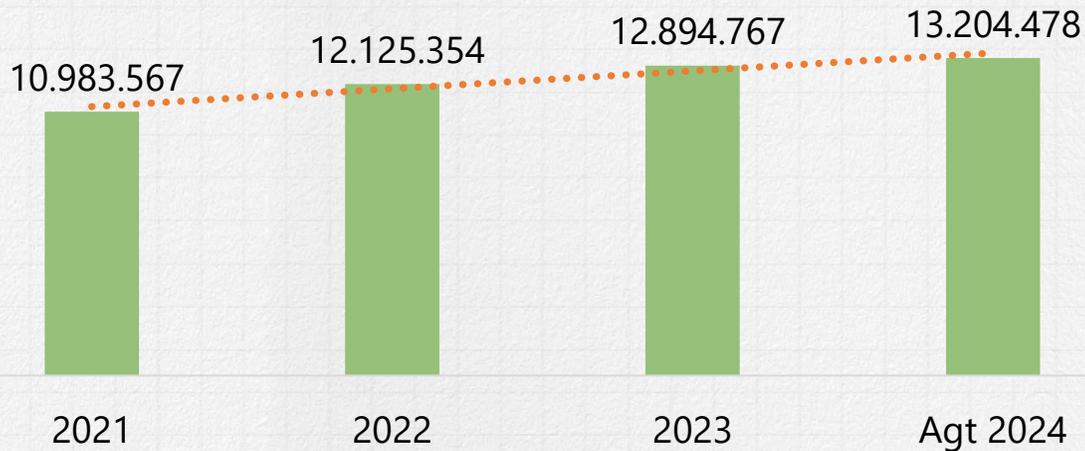
SCHEME (2/2)



Benefit claim eligibility	<ul style="list-style-type: none">- Involuntary termination- Minimum contribution duration of at least 12 months in the last 24 months and at least 6 (six) consecutive contribution prior to termination of employment.
Claim expiration	6 months prior termination
Subsequent or repeat claims	<ul style="list-style-type: none">- Maximum number of claims up to 3 times during career- 2nd claim is allowed 5 years after the receipt of the first JKP benefit- 3rd claim is allowed 5 years after the receipt of the second JKP benefit

PERFORMANCE

MEMBERSHIP



*average increase of 8% per year

EMPLOYMENT TERMINATION & JKP BENEFICIARIES



KEY POINT:

- 1) JKP Members are increase with average 8% per year, however the program still not cover all workers in formal sector (coverage: 22,63%)
- 2) There is still a discrepancy between JKP claims and termination cases.

Employed workforce : 142,18 million

- Formal sector : 58.31 million (40.83%)
- Informal sector: 84.12 million (59.17%)

Source: Indonesia Statistic Agency, February 2024

Total member = 39,189,387

- Wage-Earner Worker = 30,987,697
- Non Wage-Earner Worker = 8,201,690

Source: BPJS Ketenagakerjaan, August 2024

CHALLENGES

1

The compliance rate among companies in social security programme still low affected to the participation rate in Job Loss Insurance (JKP).

2

The benefit of JKP are accessed through the information system (SiapKerja) are still challenging due to the public low digital literacy .

3

The JKP Program has not been massively socialized.

4

Regulations Improvement to facilitate workers access to the benefit.



THANK

YOU!