

## RECOMMENDATION

### EMPLOYMENT SOCIAL SECURITY DIALOGUE

Today, Tuesday, July 4 2023 at the Claro Hotel, Makassar, the "Employment Social Security Dialogue" activity was held. After participating in all the sessions of material delivery and discussion, hereby we, consisting of elements of Trade Unions, Employers, Academics, and Practitioners with the discussion theme Harmonization of the Old Age Security and Pension Security Programs, submit the following recommendations:

1. Proportion of the main account and additional account of JHT.

Option 1

- Main account 65%, from the employer
- Additional account 35%, from workers

Option 2

- Main account 80%, from the employer
- Additional account 20%, from workers

Remarks:

Even though the contribution composition changes, the main account is still managed by the employer and an additional account by the employee.

2. Clarity regarding the payment of JHT benefits at once or periodically.

- The main account is taken when retired with a lump sum.
- Additional accounts can be taken partially or gradually according to urgent needs as long as they are still actively working.
- JHT for construction services.
- JHT for micro is mandatory.


3. Criteria of urgent needs.

- The working family dies.
- Child education costs.
- The cost of the marriage of workers who are still working.
- Accidents or disasters that occur to workers outside the employment relationship.

4. The amount of yield; is it equal to the yield on government bank deposits. Minimum 1% above government bank deposit interest.

5. The amount of JHT contributions is based on wages up to a certain limit (potentially Partially Registered Wages / *PDS Upah*);
  - Small scale company, the highest salary is RP. 25,000,000
  - Medium scale company, the highest salary is RP. 50,000,000
  - Large scale company, the highest salary is RP. 100,000,000.
  
6. JP contribution
  - The contribution rate is 5% with 2% from the Employee and 3% from the Employer.
  - Contribution subsidy from the Government.
  
7. Pension benefit scheme (defined benefit or defined contribution).
  - The defined benefit pension is expected to be increased to 50% (ILO note, contribution rate will be higher).
  
8. Age of receiving pension benefits (pensionable age)
  - Requires harmonization of the retirement age in employment relations with the age of the beneficiary.
  - Pension benefits are received upon retirement.
  - Improvements to the Employment BPJS application related to the simulation of JP beneficiaries.
  
9. Competitive implementation
  - Not recommending an organizer other than Employment BPJS.

Representatives of participants

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Facilitator,



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