



Updated Regulation on Old-Age Benefit Program

The Minister of Manpower (“**MoM**”) has issued a new regulation governing the Old-Age Benefit (*Jaminan Hari Tua* or “**JHT**”) Program on 26 April 2022 with MOM Regulation No. 4 Year 2022 concerning Procedures and Terms of Payment of Old Age Security Benefits (“**MoM Reg No. 4/2022**”). Previously, MoM has issued MoM Regulation No. 2 Year 2022 concerning Procedures and Terms for the Payment of Old Age Security Benefits and MoM Regulation No. 19 Year 2015 concerning the same matter. However, MoM Regulation No. 2 Year 2022 and MoM Regulation No. 19 Year 2015 has been revoked.

Referring to Article 1 of MoM Reg No. 4/2022, JHT will be given in a form of cash, when a JHT Participant reaches the retirement age, passes away, or suffers from permanent disability. In this regard, a JHT Participant is every employee, including a foreign worker who has worked for at least 6 (six) months in Indonesia and who already paid the premium.

JHT Participant are consist of participant who are receiving wage that works for other than state official and participant who are not receiving wage. Participants who are receiving wages that work for employers other than state officials include:

- a. workers in the company;
- b. workers on individuals; and
- c. foreigners who work in Indonesia for a minimum of 6 (six) months.

Participants who are not receiving wages include:

- a. employer;
- b. workers outside the employment relationship or self-employed; and
- c. Workers who are not included in letter b that do not receive wages.

In regard to the persons entitled to receive the JHT, it states that the JHT shall be paid out to Participants who (i) have reached the retirement age, (ii) are permanently handicapped or (iii) pass away. The elaboration on key provisions of MOM Reg No. 4/2022 is as below.

1) JHT for Participants Reaching Applicable Retirement Age

The JHT will be paid out to Participants when they reach **56 (fifty-six) years of age**, and/or have permanently stopped working due to:

- a. resignation;
- b. termination; or
- c. departing Indonesia permanently (applicable only for foreign workers).

for JHT Participants that stop working due to resignation or are laid off/terminated, they will only be eligible to receive the JHT benefits after 1 (one) month waiting period. While for foreign participant who stop working due to



departing from Indonesia permanently, only be eligible to receive the JHT benefits at the time before or after the Participant leaves Indonesia.

As for JHT Participant who **has reach retirement age**, they can claim for these benefits, by submitting their:

- a. BPJS Ketenagakerjaan Card; and
- b. KTP or other identity card;

For JHT Participant who are **resigned from their work**, they can claim for these benefits, by submitting their:

- a. BPJS Ketenagakerjaan Card;
- b. KTP or other identity card; and
- c. resignation letter from participant's workplace.

For JHT Participant who are **terminated from their work**, they can claim for these benefits, by submitting their:

- a. BPJS Ketenagakerjaan Card;
- b. KTP or other identity card; and
- c. receipt of report on termination of employment from the agency that administers government affairs in the field of manpower, or report on termination of employment from the employer to the agency administering government affairs in the field of manpower, or notification of termination of employment from the employer and a statement not rejecting the layoff from workers , or a collective agreement signed by the entrepreneur and the worker/laborer, or an excerpt or decision of the industrial relations court.

Moreover, as for JHT Participant who are **departing Indonesia permanently**, they can claim for these benefits, by submitting their:

- a. BPJS Ketenagakerjaan Card;
- b. passport; and
- c. statement letter that indicates the JHT Participant are no longer working in Indonesia

2) Participants Who Suffer Permanent Handicap Before Reaching Retirement Age

Participants who suffer from permanent handicap are also eligible for the JHT benefits before reaching the retirement age. However, they are only entitled to JHT 1 month after the relevant Participant is declared permanently handicapped. To claim for these benefits, the relevant participant must submit their:

- a. BPJS Ketenagakerjaan Card;
- b. KTP or other identity card; and

- c. Certificate of the examiner and/or advisory doctor.

3) Participants Who Pass Away

JHT Participants who pass away, will give their benefit to their heirs. Heirs of the JHT participants includes:

- a. widow;
- b. widower; or
- c. children.

In a case that the JHT Participant does not have widow, widower, or children, then the benefit will be given to the Participant's relatives in linear blood relation, siblings, in-laws, or other parties appointed under the participant's testament. To claim for these benefits, the relevant participant's heirs must submit their:

- a. BPJS Ketenagakerjaan Card;
- b. death certificate from a doctor or authorized official;
- c. heir's statement letter from authorized official or heirs determination letter from the court; and
- d. heir's KTP or other identity card.

The JHT benefits is carried out by BPJS Ketenagakerjaan based on the application submitted by the JHT Participant or their heirs if the JHT Participant dies, by attaching the above-mentioned requirements. The attachment can be in the form of electronic document or photocopy and can be submitted through online or offline submission. The JHT benefits would be paid at maximum of 5 (five) working days since the submission and requirements are received completely and correctly by BPJS Ketenagakerjaan.

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