

Government Relaxes Premia for Manpower Social Security Programs During COVID-19

As an attempt to ensure the continuity of businesses during the Covid-19 pandemic, the Government relaxes the payment of premia for the Manpower Social Security Programs with the issuance of Government Regulation No. 49 of 2020 dated August 31, 2020 on Adjustments For Premia of Manpower Social Security Programs During Non-Natural Disaster Of Corona Virus Disease 2019 (COVID-19) (“**GR 49/2020**”). GR 49/2020 is effective as of September 1, 2020. The salient provisions of GR 49/2020 are discussed below.

Under GR 49/2020, the relaxation is as follows:

- (i) the deferment of the premium payment deadline from the 15th of a month to the 30th of the month;
- (ii) 99% (ninety nine percent) deductions of the Work-Related Accident Security (*Jaminan Kecelakaan Kerja* — “**JKK**”) premium and the Death Security (*Jaminan Kematian* — “**JKM**”) premium; and
- (iii) partial postponement of Pension Security (*Jaminan Pensiun* “**JP**”) premium payment.

The relaxation above is valid from August 2020 until January 2021 and is applicable for employers, non-wage recipient participants and wage recipient participants (as applicable) who have registered their Manpower Social Security programs before August 2020.

The deductions and the postponement will be granted if the JKK and JKM premia are paid until July 2020. Any person who registers after July 2020 shall pay the normal premia for the first two months and will be granted deduction on their third month premia until January 2021.

In relation to postponement of partial payment of the JP premium, 99% of the premium of an employer’s portion may be deferred to May 15, 2021. The payment of the deferred premium must be made in full by May 15, 2022. The eligibility for this postponement differs based on the size of an employer. Medium-sized and Large Enterprises (*Usaha Menengah dan Besar* — “**UMB**”) are eligible for such postponement only if their production, distribution, or main business activities are disrupted due to Covid-19 and result in a decrease in monthly sales or income turnover of more than 30% (thirty percent). The companies must have registered their employees as participants before August 2020 and the companies have made the JP premium payment until July 2020.

September 10, 2020

AKSET

Please contact Johannes C. Sahetapy-Engel (jsahetapyengel@aksetlaw.com) or Audi Ayundaputri (aayundaputri@aksetlaw.com) for further information.

Disclaimer:

The foregoing material is the property of AKSET and may not be used by any other party without prior written consent. The information herein is of general nature and should not be treated as legal advice, nor shall it be relied upon by any party for any circumstance. Specific legal advice should be sought by interested parties to address their particular circumstances.

Any links contained in this document are for informational purposes and are available and relevant at time this publication is made. We provide no liability whatsoever in respect of any information or content in such links.

Copyright © 2020 AKSET. All rights reserved.