

Government to Grant Subsidy for Workers Affected by COVID-19

Amidst the COVID-19 pandemic, the Minister of Manpower (the “Minister”) issued the Minister Regulation No. 14 of 2020 dated August 14, 2020 on the Guidelines for the Granting of Government Support in the Form of Salary/Remuneration Subsidy for Workers/Manpower in Handling the Impact of Corona Virus Disease 2019 (COVID-19) (the “Minister Regulation”).

Based on the Minister Regulation, the Government will grant support for eligible workers, in the form of salary/remuneration subsidy (the “Social Support”), in the amount of Rp600,000 (six hundred thousand Rupiah) per month for four months. The Social Support is intended to protect, sustain, and improve workers’ economic capability during the COVID-19 pandemic.

We set out below the highlights of the Minister Regulation.

❖ Criteria of Eligible Workers

To be considered eligible for the Social Support, a worker must fulfill the following requirements:

- a. an Indonesian citizen;
- b. is registered as an active member of the manpower social security program of Manpower Social Security Operating Body (“BPJS Ketenagakerjaan”), evidenced with a membership card number;
- c. receives salary/remuneration;
- d. his/her BPJS Ketenagakerjaan membership is valid until June 2020;
- e. pays contribution based on salary/remuneration of less than Rp5,000,000 (five million Rupiah), based on the report submitted by the employer to BPJS Ketenagakerjaan; and
- f. owns an active bank account.

The Government will grant the Social Support based on (i) the number of eligible workers, and (ii) budget ceiling availability.

If an employer provides falsified data in relation with the workers’ salary/remuneration, such employer shall be subject to sanctions in accordance with the prevailing laws and regulations.

❖ Procedures for the Granting of the Social Support

The information of the Social Support recipient candidates are collected from the data of active participants of BPJS Ketenagakerjaan. Hence, workers are not required to submit any application in order to be granted the Social Support. The BPJS Ketenagakerjaan will independently conduct verification and validation of such candidates in accordance with the stipulated criteria.

Based on unofficial statement of the President Director of BPJS Ketenagakerjaan as published on the news, BPJS Ketenagakerjaan is currently validating and verifying the data of eligible workers through their bank account and BPJS Ketenagakerjaan membership. After the verification and validation is completed, BPJS

Ketenagakerjaan will provide a list of recipient candidates to the Minister.

The determination of the eligible workers shall be made by the Budget User Authorizer (*Kuasa Pengguna Anggaran* or KPA) which refers to the official in Directorate General of Industrial Relation Development and Manpower Social Security appointed by the Minister.

The Social Support will be distributed by the State Treasury Service Office through an appointed government bank directly to the recipients' bank account. The Social Support distribution will be carried out in phases.

If a recipient turns out to be ineligible yet already received the Social Support, then he/she must return such Social Support to the state treasury.

September 11, 2020

AKSET

Please contact Johannes C. Sahetapy-Engel (jsahetapyengel@aksetlaw.com), Nurana Sekar Lestari (nlestari@aksetlaw.com), or Diah Kristiningsih (dkristiningsih@aksetlaw.com) for further information.

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