

REGULATION OF THE MINISTER OF MANPOWER OF
THE REPUBLIC OF INDONESIA
NUMBER 21 OF 2016
ON
DECENT LIVING NEEDS

BY THE BLESSINGS OF ALMIGHTY GOD

MINISTER OF MANPOWER OF THE REPUBLIC OF INDONESIA,

Considering : that in order to implement the provisions of Article 89 section (4) of Law Number 13 of 2003 on Manpower and Article 43 section (9) of Government Regulation Number 78 of 2015 on Wages, it is necessary to issue a Regulation of the Minister of Manpower on Decent Living Needs;

Observing : 1. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);
2. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587);
3. Government Regulation Number 78 of 2015 on Wages (State Gazette of the Republic of Indonesia of 2015 Number 237, Supplement to the State Gazette of the Republic of Indonesia Number 5747);

4. Presidential Regulation Number 18 of 2015 on Ministry of Manpower (State Gazette of the Republic of Indonesia of 2015 Number 19);
5. Presidential Decree Number 107 of 2004 on Wage Councils;
6. Regulation of the Minister of Manpower Number 8 of 2015 on Procedures for Preparation of Making Draft Law, Draft Government Regulation and Draft Presidential Regulation as well as Draft Ministerial Regulation in the Ministry of Manpower (State Bulletin of the Republic of Indonesia of 2015 Number 411);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF MANPOWER ON DECENT LIVING NEEDS.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Ministerial Regulation:

1. Decent Living Need (*Kebutuhan Hidup Layak*) hereinafter referred to as KHL, means the standard of needs for a single Worker/Labourer in order to get a decent living physically for 1 (one) month.
2. Minimum Wage means the lowest monthly wage in the form of wage without allowance or basic wage including the fixed allowance that is determined by the governor as a safety net.
3. National Wage Council means a tripartite non-structural institution that is established by the President.
4. Provincial Wage Council means a tripartite non-structural institution that is established by the Governor.
5. Regency/Municipal Wage Council means a tripartite non-structural institution that is established by the Regent/Mayor.
6. Minister means the minister administering the government affairs in the field of manpower.

CHAPTER II
DECENT LIVING NEEDS IN DETERMINATION OF
MINIMUM WAGE

Article 2

- (1) Determination of Minimum Wage by the governor is conducted annually based on the KHL and by taking into account the productivity and economic growth.
- (2) The determination of Minimum Wage as referred to in section (1) is calculated according to the Minimum Wage calculation formula.
- (3) The Minimum Wage calculation formula as referred to in section (2) is current year Minimum Wage added by the multiplication result between current year Minimum Wage with the sum of current year national inflation rate and current year gross domestic product growth level.
- (4) In determining Minimum Wage as referred to in section (2), the KHL is contained in the current year Minimum Wage.

Article 3

- (1) In annual determination of Minimum Wage, an adjustment of values of KHL is made.
- (2) The adjustment of values of KHL as referred to in section (1) is automatically corrected through the multiplication between the current year Minimum Wage and current year national inflation rate.

CHAPTER III
REVIEW OF DECENT LIVING NEEDS

Part One

General

Article 4

- (1) KHL consists of some components.
- (2) The components as referred to in section (1) consists of some types of living needs.

Article 5

- (1) Components and types of living needs are reviewed within 5 (five) years.
- (2) The review as referred to in section (1) is conducted in 2 (two) phases:
 - a. a study; and
 - b. determination of the result of a review of components and types of living needs.

Part Two

Study

Article 6

A review of components and types of living needs is conducted by the Minister by taking into account the result of a study conducted by the National Wage Council.

Article 7

- (1) The study conducted by the National Wage Council as referred to in Article 6 begins with the collection of data and information.
- (2) The data and information as referred to in section (1) are taken from an authorized institution in statistics.
- (3) A request for data and information is submitted in writing by the Minister to the authorized institution in statistics.
- (4) The data and information as referred to in section (2) are used as the material to review the applicable components and types of living needs.
- (5) The study by the National Wage Council as referred to in section (1) is conducted in the fourth year within a period of 5 (five) years and completed at the latest on October of the same year.

Article 8

- (1) The result of a study conducted by the National Wage Council is in the form of a recommendation.

- (2) The recommendation as referred to in Article (1) is submitted to the Minister at the latest on November of the fourth year within a period of 5 (five) years.

Part Three

Determination of Result of Review of Components and Types of Living Needs

Article 9

- (1) The Minister determines the result of a review of components and types of living needs by taking into account the recommendation from the National Wage Council as referred to in Article 8.
- (2) The determination as referred to in section (1) is conducted at the latest on January of the fifth year within a period of 5 (five) years.

CHAPTER IV

DETERMINATION OF VALUES OF DECENT LIVING NEEDS

Article 10

- (1) After the determination of the result of components and types of living needs as referred to in Article 9, values of KHL is calculated by the Provincial Wage Council or Regency/Municipal Wage Council.
- (2) The values of KHL as referred to in section (1) is calculated according to the average price data of the types of living needs from the authorized institution in statistics.

Article 11

- (1) A result of calculating values of KHL is determined by the Provincial Wage Council or Regency/Municipal Wage Council.
- (2) The determination of values of KHL as referred to in section (1) is conducted at the latest 1 (one) month before the due date for determining a Minimum Wage.

- (3) The values of KHL as referred to in section (1) is used as the basis for calculating the first year Minimum Wage within a period of 5 (five) years.

CHAPTER V MISCELLANEOUS PROVISIONS

Article 12

- (1) The period of 5 (five) years as referred to in Article 7 section (5), Article 8 section (2) and Article 9 section (2) is calculated for the first time since the promulgation of Government Regulation Number 78 of 2015 on Wages.
- (2) In the event that the period of 5 (five) years as referred to in section (1) cannot be implemented, the Minister may adjust the period by taking into account the deadline for determining values of KHL by the Provincial Wage Council or Regency/Municipal Wage Council and the due date for determining a Minimum Wage.

CHAPTER VI TRANSITIONAL PROVISION

Article 13

The components and types of living needs as referred to in Article 2 and the Annex I to Regulation of the Minister of Manpower and Transmigration Number 13 of 2012 on Components and Implementation of Phases to Fulfill Decent Living Needs are declared to remain effective until the review of components and types of living needs is determined by the Minister in accordance with this Ministerial Regulation.

CHAPTER VII CLOSING PROVISION

Article 14

At the time this Ministerial Regulation comes into force, provisions other than Article 2 and the Annex I to Regulation of

the Minister of Manpower and Transmigration Number 13 of 2012 on Components and Implementation of Phases to Fulfill of Decent Living Needs (State Bulletin of the Republic of Indonesia of 2012 Number 707), are repealed and declared ineffective.

Article 15

This Ministerial Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta
on 27 June 2016

MINISTER OF MANPOWER OF
THE REPUBLIC OF INDONESIA,

signed

M. HANIF DHAKIRI

Promulgated in Jakarta
on 27 June 2016

DIRECTOR GENERAL OF LEGISLATION OF
MINISTRY OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

signed

WIDODO EKATJAHJANA

STATE BULLETIN OF THE REPUBLIC OF INDONESIA OF 2016 NUMBER 948

Jakarta, 4 July 2018

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

WIDODO EKATJAHJANA

The image shows a circular official seal of the Directorate General of Legislation, Ministry of Law and Human Rights of the Republic of Indonesia. The seal contains the text 'DIREKTORAT JENDERAL LEGISLASI', 'KEMENTERIAN HUKUM DAN HAK ASASI MANUSIA RI', 'PERATURAN NEGARA', 'REPUBLIC OF INDONESIA', and 'SILVOMAN'. Overlaid on the seal is a handwritten signature in black ink, which appears to be 'Widodo Ekatihjana'. Below the seal, the name 'WIDODO EKATJAHJANA' is printed in capital letters.