

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 24 OF 2011
ON
SOCIAL SECURITY AGENCY

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the national social security system is a state program with aim to ensure the protection and social welfare for all people;
 - b. that in order to reach the objective of national social security system, it is necessary to establish administrative agency in the form of legal entity on the basis of the principles of mutual cooperation (*kegotongroyongan*), non-profit, transparency, prudence, accountability, portability, mandatory participation, trust fund, and the investment yields of the social security funds is used entirely for program benefits and in the best interests of the members;
 - c. that under Article 5 section (1) and Article 52 of Law Number 40 of 2004 on National Social Security System, Social Security Agency must be established by Law constituting the fourth transformation of State-Owned Enterprises to accelerate the implementation of the national social security system for the whole people of Indonesia;

- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to establish Law on Social Security Agency;

- Observing : 1. Article 20, Article 21, Article 23A, Article 28H section (1), section (2) and section (3), and Article 34 section (1) and section (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 40 of 2004 on National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4456);

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To enact : LAW ON SOCIAL SECURITY AGENCY.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Law:

1. Social Security Agency (*Badan Penyelenggara Jaminan Sosial*), hereinafter abbreviated as BPJS, means a legal entity established to administer the social security program.
2. Social Security means one of the forms of social protection to ensure that all people may fulfill basic needs of their decent life.
3. Social Security Fund means a trust fund belonging to all members which consists of contributions including their investment yields managed by BPJS for the payment of benefits to the members and for the operational costs of administering the Social Security program.

4. Member means any person including a foreigner national who works for at least 6 (six) months in Indonesia, who has paid contributions.
5. Benefit means any social security benefits which becomes rights of the members and/or their family members.
6. Contribution means amount of money paid regularly by the Members, employers, and/or the Government.
7. Contribution Aid means any contribution paid by the Government for the poor and the underprivileged to the Social Security program.
8. Worker means any person who works and earns a salary, a wage, or other forms of remuneration.
9. Employer means an individual, entrepreneur, legal entity, or other entities employing workers or state administrator employing civil servants by paying them salary, wage, or other forms of remuneration.
10. Salary or Wage means Workers' right received and paid in the form of money as compensation from an Employer to the Workers received and paid pursuant to employment contract, agreement or legislation, including allowances for the Workers and their families for a work and/or service that they have performed or will perform.
11. National Social Security Council (*Dewan Jaminan Sosial Nasional*), hereinafter abbreviated as DJSN means a council that has function to assist the President in the formulation of public policies and synchronization of the administration of the national social security system.
12. Board of Supervisors means a BPJS organ that has duty to supervise the implementation of BPJS management by the board of directors and to advise the board of directors in the administration of Social Security program.
13. Board of Directors means a BPJS organ that has authority and full responsibility to the management of BPJS for BPJS interests, in accordance with the basis, objectives, and principles of BPJS, as well as representing BPJS, in court and out of court, in accordance with the provisions of this Law.

14. Central Government, hereinafter referred to as the Government means the President of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.

Article 2

BPJS administers the national social security system on the basis of:

- a. humanity;
- b. benefits; and
- c. social justice for all people of Indonesia.

Article 3

BPJS aims to actualize the provision of guarantees in order to fulfil basic needs of decent life for any Members and/or their family members.

Article 4

BPJS administers the national social security system under the principles of:

- a. mutual cooperation;
- b. non-profit;
- c. transparency;
- d. prudence;
- e. accountability;
- f. portability;
- g. mandatory participation;
- h. trust fund; and
- i. investment yields of Social Security Fund to be entirely used for program development and in the best interests of the Members.

CHAPTER II

ESTABLISHMENT AND SCOPE

Part One

Establishment

Article 5

- (1) BPJS is established under this Law.

- (2) BPJS as referred to in section (1) is:
- a. BPJS Kesehatan (BPJS for Health); and
 - b. BPJS Ketenagakerjaan (BPJS for Employment).

Part Two

Scope

Article 6

- (1) BPJS Kesehatan, as referred to in Article 5 section (2) point a, administers the health security program.
- (2) BPJS Ketenagakerjaan, as referred to in Article 5 section (2) point b, administers the following programs:
 - a. employment injury security;
 - b. old-age security;
 - c. pension security; and
 - d. death security.

CHAPTER III

STATUS AND DOMICILE

Part One

Status

Article 7

- (1) BPJS as referred to in Article 5 is a public legal entity under this Law.
- (2) BPJS as referred to in section (1) is responsible to the President.

Part Two

Domicile

Article 8

- (1) BPJS as referred to in Article 5 is domiciled and headquartered in the capital city of the Republic of Indonesia.

- (2) BPJS as referred to in section (1) may have representative offices in provinces and branch offices in the regency/municipality.

CHAPTER IV
FUNCTIONS, DUTIES, AUTHORITY,
RIGHTS, AND OBLIGATIONS

Part One
Functions

Article 9

- (1) BPJS Kesehatan, as referred to in Article 5 section (2) point a, has function to administer the health security program.
- (2) BPJS Ketenagakerjaan as referred to in Article 5 section (2) point b has function to administer the employment injury security program, death security program, pension security program, and old-age security program.

Part Two
Duties

Article 10

In performing the functions as referred to in Article 9, BPJS has duties to:

- a. conduct and/or receive Member registration;
- b. raise and collect Contributions from the Members and Employers;
- c. receive Contribution Aid from the Government;
- d. manage the Social Security Funds for the interests of Members;
- e. collect and manage Members data of the Social Security program;
- f. pay Benefits and/or finance the health services in accordance with the provisions of the Social Security program; and

- g. provide information on the administration of the Social Security programs to the Members and public.

Part Three
Authority

Article 11

In performing the duties as referred to in Article 10, BPJS is authorized to:

- a. collect Contributions;
- b. invest the Social Security Funds in short-term and long-term investment by considering aspects of liquidity, solvency, prudence, security of funds, and adequate yield;
- c. supervise and examine the compliance of Members and Employers in fulfilling their obligations in accordance with the provisions of the legislation on national social security;
- d. make agreements with health facilities concerning the health facilities cost which refers to the standard tariff set by the Government;
- e. make or terminate work contracts with health facilities;
- f. impose administrative sanctions to Members or Employers not fulfilling their obligations;
- g. report Employers to authorized institutions of their non-compliance in paying Contribution or in fulfilling other obligations in accordance with the provisions of the legislation; and
- h. cooperate with other parties in the administration of the Social Security program.

Part Four
Rights

Article 12

In performing authority as referred to in Article 11, BPJS is entitled to:

- a. obtain operational funds for administering the programs from the Social Security Funds and/or other sources in accordance with the provisions of the legislation; and

- b. obtain the monitoring and evaluation results of the administration of the Social Security program from DJSN for every 6 (six) months.

Part Five
Obligations

Article 13

In performing duties as referred to in Article 10, BPJS is obligated to;

- a. provide a single identity number to Members;
- b. invest the Social Security Funds and BPJS assets for the best interests of the Members;
- c. provide information through printed and electronic mass media about the performance, financial condition, as well as the assets and investment yields;
- d. provide Benefits to all Members in accordance with Law on National Social Security System;
- e. inform Members of their rights and obligations to follow the applicable provisions;
- f. inform the Members of the procedures for obtaining their rights and fulfill their obligations;
- g. inform the Members of the balance of their old-age security and their investment yields 1 (one) time in 1 (one) year;
- h. inform the Members of the amount of their pension rights 1 (one) time in 1 (one) year;
- i. establish technical reserve in accordance with the general and common standards of actuarial practice;
- j. do bookkeeping in accordance with applicable accounting standards for the administration of the Social Security; and
- k. report the administration of each program, including financial condition, periodically every 6 (six) months to the President with a copy to DJSN.

CHAPTER V
MEMBER REGISTRATION
AND CONTRIBUTION PAYMENT

Part One
Member Registration

Article 14

Any person, including foreign national who works for at least 6 (six) months in Indonesia, is obligated to become Members of Social Security program.

Article 15

- (1) Employers are obligated to register themselves and their Workers as Members to BPJS in phases in accordance with the Social Security programs in which they participate.
- (2) Employers, in conducting registration as referred to in section (1), are obligated to provide complete and accurate data of themselves and their Workers along with their family members to BPJS.
- (3) The phases as referred to in section (1) are regulated by a Presidential Regulation.

Article 16

- (1) Any person, other than Employers, Workers, and Contribution Aid recipients, who fulfill member requirements in Social Security program are obligated to register themselves and their family members as Members to the BPJS in accordance with the Social Security programs in which they participate.
- (2) Any person as referred to in section (1) is obligated to provide complete and accurate data of themselves and their family members to BPJS.

Article 17

- (1) Employers other than state administrators not complying with the provisions as referred to in Article 15 section (1)

and section (2), and any person not complying with the provisions as referred to in Article 16 are imposed administrative sanctions.

- (2) The administrative sanctions as referred to in section (1) may be in the forms of:
 - a. written warning;
 - b. fines; and/or
 - c. denial of certain public services.
- (3) The impositions of sanctions, as referred to in section (2) point a and point b, are carried out by BPJS.
- (4) The impositions of sanctions as referred to in section (2) point c are carried out by the Government or local government upon the request of BPJS.
- (5) Further provisions regarding impositions of administrative sanctions are regulated by a Government Regulation.

Article 18

- (1) The government registers the Contribution Aid recipients and their family members as Members to BPJS.
- (2) The Contribution Aid recipients are obligated to provide complete and accurate data of themselves and their family members to the Government to be forwarded to BPJS.

Part Two

Contribution Payment

Article 19

- (1) Employers are obligated to collect Contributions which are Members' expense from their Workers and to pay them to BPJS.
- (2) Employers are obligated to pay their compulsory Contributions to BPJS.
- (3) Members who are not Workers and Contribution Aid recipients are obligated to pay their compulsory Contribution to BPJS.
- (4) The Government pays Contribution for Contribution Aid recipients to BPJS.

- (5) Further provisions regarding:
 - a. the amount and the procedure of Contribution payment for the health security program are regulated by a Presidential Regulation; and
 - b. the amount and procedure of Contribution payment for other than health security programs are regulated by a Government Regulation.

CHAPTER VI BPJS ORGANS

Part One Structure

Article 20

BPJS organ consists of Board of Supervisors and Board of Directors.

Part Two Board of Supervisors

Article 21

- (1) The Board of Supervisors consists of 7 (seven) professionals.
- (2) The Board of Supervisors as referred to in section (1) consists of 2 (two) elements from the Government, 2 (two) elements from the Workers, and 2 (two) elements from the Employers, and 1 (one) public figure.
- (3) Members of the Board of Supervisors as referred to in section (1) are designated and dismissed by the President.
- (4) One of the members of the Board of Supervisors as referred to in section (1) is designated as a chairperson of the Board of Supervisors by the President.
- (5) Members of the Board of Supervisors as referred to in section (1) are designated for a period of 5 (five) years and may be proposed to be designated for 1 (one) additional office term.

Article 22

- (1) The Board of Supervisors has function to supervise the performance of BPJS duties.
- (2) In carrying out its functions as referred to in section (1), the Board of Supervisors has duties to:
 - a. supervise management policies of BPJS and the performance of the Board of Directors;
 - b. supervise the management and investment of the Social Security Funds by the Board of Directors;
 - c. provide advice, recommendation, and consideration to the Board of Directors on policies and management of BPJS; and
 - d. submit supervision reports on the administration of Social Security as part of BPJS reports to the President with a copy to DJSN.
- (3) In performing its duties as referred to in section (2), the Board of Supervisors is authorized to:
 - a. set the annual work plan and budget of BPJS;
 - b. obtain and/or request reports from the Board of Directors;
 - c. access data and information regarding the administration of BPJS;
 - d. review the data and information on the administration of BPJS; and
 - e. provide advice and recommendation to the President on the performance of Board of Directors.
- (4) Provisions regarding procedures for performing the functions, duties, and authority of the Board of Supervisors as referred to in section (1), section (2) and section (3) are regulated by the Regulation of the Board of Supervisors.

Part Three

Board of Directors

Article 23

- (1) The Board of Directors consists at least 5 (five) members from professional element.

- (2) Members of the Board of Directors as referred to in section (1) are designated and dismissed by the President.
- (3) The President determines one of members of the Board of Directors as referred to in section (1) as the president director.
- (4) Members of the Board of Directors are designated for a period of 5 (five) years and may be proposed to be reappointed for one additional office term.

Article 24

- (1) Board of Directors has function to administer operational activities of BPJS and ensure Members to get their Benefits in accordance with their rights.
- (2) In performing functions as referred to in section (1), the Board of Directors has duties to:
 - a. manage BPJS including planning, implementation, supervision, and evaluation;
 - b. represent BPJS in court and out of court; and
 - c. ensure the availability of facilities and access for the Board of Supervisors to perform its functions.
- (3) In performing duties as referred to in section (2), the Board of Directors is authorized to:
 - a. exercise BPJS authority;
 - b. establish organizational structure including main tasks, functions, organizational work procedures, and personnel system;
 - c. carry out personnel management of BPJS including designating, transferring, and dismissing BPJS personnel and determining the incomes of BPJS personnel;
 - d. propose to the President for the income for the Board of Supervisors and the Board of Directors;
 - e. determine the provisions and procedures for the procurement of goods and service in the framework of implementing the BPJS duties by taking into account the principles of transparency, accountability, efficiency, and effectiveness;

- f. transfer the fixed assets of BPJS for a maximum of Rp100,000,000,000.00 (one hundred billion rupiah) with the approval of the Board of Supervisors;
 - g. transfer the fixed assets of BPJS more than Rp100,000,000,000.00 (one hundred billion rupiah) up to Rp500,000,000,000.00 (five hundred billion rupiah) with the approval of the President; and
 - h. transfer the fixed assets of BPJS more than Rp500,000,000,000.00 (five hundred billion rupiah) with the approval of the House of Representative of the Republic of Indonesia.
- (4) The provisions regarding the procedures for performing the functions, duties, and authority of the Board of Directors as referred to in section (1), section (2), and section (3) are regulated by regulations of the Board of Directors.

CHAPTER VII
REQUIREMENTS, PROCEDURES FOR SELECTION
AND DETERMINATION, AND DISMISSAL OF MEMBERS
OF BOARD OF SUPERVISORS AND MEMBERS OF BOARD
OF DIRECTORS

Part One

Requirements for Members of the Board of Supervisors
and Members the Board of Directors

Paragraph 1

General Requirements

Article 25

- (1) To be designated as a member of the Board of Supervisors or the Board of Directors, the candidate must in compliance with the following requirements:
- a. be Indonesian citizen;
 - b. fear God Almighty;
 - c. be physically and mentally healthy;
 - d. have integrity and personality that is not improper;

- e. have appropriate qualifications and competences for the management of the Social Security program;
 - f. be at least 40 (forty) years old and not more than 60 (sixty) years old at the time nominated as a member;
 - g. not be served as a member or management of a political party;
 - h. not be a suspect or defendant in the judicial process;
 - i. never be imprisoned based on court verdict with final and binding effect for a criminal act sentenced with imprisonment of 5 (five) years or more; and/or
 - j. never be a member of the board of directors, commissioners, or board of supervisors at a legal entity declared bankrupt due to the error of the relevant person.
- (2) During their office term, members of the Board of Supervisors and Board of Directors may not hold concurrent positions in the government offices or other legal entities.

Paragraph 2
Specific Requirements

Article 26

In addition to having the requirements as referred to in Article 25, candidates for the Board of Supervisors must meet specific requirements such as having competence and experience in management, particularly in the field of supervision for at least 5 (five) years.

Article 27

In addition to having requirements as referred to in Article 25, candidates for the Board of Directors must meet specific requirements such as having relevant competency for the board of directors position and having managerial experience for at least 5 (five) years.

Part Two

Selection Process and Determination of Members of the Board
of Supervisors and the Board of Directors

Article 28

- (1) To select and determine members of the Board of Supervisors and the Board of Directors, the President establishes selection committee that has duty to implement the provisions regulated in this Law.
- (2) The membership of selection committee as referred to in section (1) consists of 2 (two) elements from the Government and 5 (five) elements from public.
- (3) Membership of the selection committee as referred to in section (2) is established by Presidential Decree.

Article 29

- (1) The selection committee as referred to in Article 28 announces the opening registration of candidates for the Board of Supervisors and the Board of Directors not later than 5 (five) work days upon the designation.
- (2) Registration and selection of candidates for the members of the Board of Supervisor and the Board of Directors are held within 10 (ten) work days persistently.
- (3) The selection committee announces the name of the candidate members of the Board of Supervisors and the Board of Directors publicly to get response not later than 5 (five) work days upon the registration is closed.
- (4) The response as referred to in section (3) is submitted to the selection committee not later than 15 (fifteen) work days from the announcement date.
- (5) The selection committee determines the names of candidates for the members of the Board of Supervisors and the Board of Directors to be submitted to the President as many as 2 (two) times from the number of positions required not later than 10 (ten) work days after the closing date of response submission from the public.

Article 30

- (1) The President elects and determines the members of the Board of Supervisors from the Government and members of the Board of Directors based on the recommendation from the selection committee.
- (2) The President proposes the candidate names, who are elements of Workers, Employers, and public figure, for the Board of Supervisors to the House of Representatives of the Republic of Indonesia as many as 2 (two) times from the number of positions required, not later than 10 (ten) work days as of the receipt date of a list of candidate names from the selection committee.
- (3) The House of Representatives of the Republic of Indonesia elects the members of the Board of Supervisors from elements of Workers, Employers, and public figures as referred to in section (2), not later than 20 (twenty) work days as of the receipt date of a proposal from the President.
- (4) Leaders of the House of Representatives of the Republic of Indonesia submit the names of selected candidates as referred to in section (3) to the President not later than 5 (five) work days as of the expiry date of the selection.
- (5) The President determines the selected candidate as referred to in section (4) not later than 10 (ten) work days as of the receipt date of letter from the leaders of the House of Representatives of the Republic of Indonesia.
- (6) Determination of the members of the Board of Supervisors from the element of government and members of the Board of Directors is performed simultaneously with the designation of members of the Board of Supervisors as referred to in section (5).

Article 31

Further provisions regarding the procedures for selection process and the determination of the Board of Supervisors and the Board of Directors as referred to in Article 28, Article 29, and Article 30 are regulated by a Presidential Regulation.

Part Three

Dismissal

Article 32

Members of the Board of Supervisors and the Board of Directors dismiss from their positions due to:

- a. decease;
- b. expiry of office term; or
- c. dismissal.

Article 33

(1) Members of the Board of Supervisors or the Board of Directors may be suspended due to:

- a. sickness for more than continuous 3 (three) months so they cannot carry out their duties;
- b. being declared as suspect; or
- c. being imposed by administrative sanction of suspension.

(2) In the event of members of the Board of Supervisors or the Board of Directors are suspended as referred to in section (1), the President appoints temporary officials by considering recommendation from DJSN.

(3) Members of the Board of Supervisors or the Board of Directors as referred to in section (1) may return to their office if they are declared healthy and fit to perform their duties or if their status as suspects revoked, or if their temporary dismissal of administrative sanctions revoked.

(4) The reinstatement as referred to in section (3) is conducted not later than 30 (thirty) days as of the day when the members declared healthy, or their suspect status revoked or their temporary dismissal due to administrative sanctions revoked.

(5) Suspension of members of the Board of Supervisors or members of the Board of Directors as referred to in section (1) and reinstatement as referred to in section (3) is performed by the President.

Article 34

Members of the Board of Supervisors or members of the Board of Directors are dismissed from their positions due to:

- a. suffer a prolonged illness for 6 (six) months so they cannot perform their duties;
- b. not performing their duties as members of the Board of Supervisors or members of the Board of Directors continuously more than 3 (three) months for reasons other than those as referred to in point a;
- c. harm to BPJS and the interests of Members of Social Security program due to wrong policies taken.
- d. being a defendant for committing a crime;
- e. behaving improperly;
- f. being no longer eligible as members of the Board of Supervisors or members of the Board of Directors; and/or
- g. resigning in writing at their own request.

Article 35

In the event that members of the Board of Supervisors or members of the Board of Directors resign as referred to in Article 32 point a or they are dismissed as referred to in Article 34, the President designates substitute members of the Board of Supervisors or members of the Board of Directors for the remaining office term.

Article 36

- (1) In the event of the vacancy for members of the Board of Supervisors and/or members of the Board of Directors, the President establishes a selection committee to select candidates for the interim substitute members.
- (2) Selection procedure and the determination of interim substitute members candidates as referred to in section (1) is performed in accordance with the provisions as referred to in Article 28, Article 29, Article 30, and Article 31.
- (3) In the event that the rest of vacant office term as referred to in section (1) is less than 18 (eighteen) months, the President determines an interim replacement member based on recommendation from DJSN.

- (4) DJSN proposes candidates as referred to in section (3) based on the ranking of the selection results.
- (5) Further provisions regarding the procedures for the selection and determination of candidates for the interim replacement as referred to in section (1), section (2), section (3), and section (4) are regulated by a Presidential Regulation.

CHAPTER VIII ACCOUNTABILITY

Article 37

- (1) BPJS is obligated to submit accountability for the performance of its duties in the form of report on program management report and annual financial reports audited by public accountant to the President with a copy to DJSN not later than 30 June in the following year.
- (2) The period of program management report and annual financial reports as referred to in section (1) are started from 1 January to 31 December.
- (3) The form and content of program management report as referred to in section (1) are proposed by BPJS after having consultation with DJSN.
- (4) BPJS financial reports as referred to in section (1) is prepared and presented in accordance with the applicable financial accounting standards.
- (5) Program management report and annual financial report as referred to in section (1) are published in the form of executive summary through electronic mass media and through at least two (2) printed media circulated nationally, not later than 31 July in the following year.
- (6) The form and content of the publication in section (5) is determined by the Board of Directors upon the approval by the Board of Supervisors.
- (7) Provisions regarding on the form and content of program management report as referred to in section (3) are regulated by a Presidential Regulation.

Article 38

- (1) The Board of Directors is jointly responsible for all financial loss due to mismanagement of the Social Security Funds.
- (2) At the end of office term, the Board of Supervisors and the Board of Directors are obligated to submit accountability report for the performance of its duties to the President with copies to DJSN.

CHAPTER IX
SUPERVISION

Article 39

- (1) Supervision of BPJS is carried out externally and internally.
- (2) Internal supervision of BPJS is carried out by the supervisor organ of BPJS consisting of:
 - a. the Board of Supervisors; and
 - b. internal control unit.
- (3) External supervision of BPJS is carried out by:
 - a. DJSN; and
 - b. independent supervisory agencies.

CHAPTER X
ASSETS

Part One
Separation of Assets

Article 40

- (1) BPJS manages:
 - a. BPJS assets; and
 - b. Social Security Funds assets.
- (2) BPJS is obligated to separate BPJS assets and Social Security Funds assets.
- (3) Social Security Funds assets are not BPJS assets.

- (4) BPJS is obligated to store and administer Social Security Funds at the state-owned enterprise custodian bank.

Part Two
BPJS Assets

Article 41

- (1) The sources of BPJS assets are:
- a. initial capital from the Government, which is state assets separated and not divided into shares;
 - b. result of assets transfer from State-Owned Enterprises which administer social security program;
 - c. investment yields of BPJS assets;
 - d. operational funds taken from the Social Security Funds; and/or
 - e. other legal sources in accordance with the legislation.
- (2) BPJS assets may be utilized for:
- a. operational costs for administration the Social Security program;
 - b. cost of procurement of goods and services to support the administration of Social Security program;
 - c. cost to increase service capacity; and
 - d. investment in the investment instruments in accordance with the provisions of the legislation.
- (3) Further provisions regarding the sources and utilization of BPJS assets as referred to in section (1) and section (2) are regulated by a Government Regulation.

Article 42

The initial capital as referred to in Article 41 section (1) point a for BPJS Kesehatan and BPJS Ketenagakerjaan is set at a maximum of Rp2,000,000,000,000.00 (two trillion rupiah) sourced from the State Budget.

Part Three
Social Security Funds Assets

Article 43

- (1) The sources of Social Security Funds assets are:

- a. Social Security Contribution including Contribution Aid;
 - b. investment yields of the Social Security Funds;
 - c. result of assets transferred of social security program that become Member's rights from the State-Owned Enterprises administering social security program; and
 - d. other legal sources in accordance with the legislation.
- (2) Social Security Funds assets may be used for:
- a. payment of Benefits or financing of Social Security services;
 - b. operational cost for the administration of Social Security program; and
 - c. investment in investment instruments in accordance with the legislation.
- (3) Further provisions regarding the sources and use of Social Security Funds assets as referred to in section (1) and section (2) are regulated by a Government Regulation.

Part Four
Operational Cost

Article 44

- (1) BPJS operational cost consists of personnel cost and non-personnel cost.
- (2) Personnel as referred to in section (1) consists of Board of Supervisors, Board of Directors, and employees.
- (3) Personnel cost includes Salary or Wage and other additional benefits.
- (4) Board of Supervisors, Board of Directors, and employees earn Salary or Wage and other additional benefits in accordance with the authority and/or responsibility in performing their duties within BPJS.
- (5) Salary or Wage and other additional benefits as referred to in section (4) take into account the accepted level commonly applied.
- (6) Board of Supervisors, Board of Directors, and employees may earn incentives according to BPJS performance, paid out from the investment yields.

- (7) Provisions regarding Salary or Wage and other additional benefits and incentives for employees are determined by regulations of the Board of Directors.
- (8) Provisions regarding Salary or Wage and other additional benefits and incentives for members of the Board of Supervisors and members of Board of Directors are regulated by a Presidential Regulation.

Article 45

- (1) Operational funds as referred to in Article 41 section (1) point d are determined based on percentage of Contributions received and/or from investment yields.
- (2) Further provisions regarding the percentage of operational funds as referred to in section (1) are regulated by a Government Regulation.

CHAPTER XI DISSOLUTION OF BPJS

Article 46

BPJS may only be dissolved by the Law.

Article 47

BPJS may not be declared bankrupted by the legislation on bankruptcy.

CHAPTER XII DISPUTE RESOLUTION

Part One Complaint Resolution

Article 48

- (1) BPJS is obligated to establish a quality control unit of service and complaint response from Members.
- (2) BPJS is obligated to response the complaints not later than 5 (five) work day as of the date of receiving complaints.

- (3) Further provisions regarding quality control unit and handling Members complaints as referred to in section (1) are regulated by a BPJS Regulation.

Part Two

Dispute Resolution through Mediation

Article 49

- (1) Any party that feel aggrieved that their complaints cannot be resolved by the unit as referred to in Article 48 section (1) may resolve their disputes through mediation mechanism.
- (2) Mediation mechanism as referred to in section (1) is conducted through mediators agreed upon by both parties in writing.
- (3) Disputes Resolution through mediation is conducted not later than 30 (thirty) work days after both parties signing the agreement as referred to in section (2).
- (4) Disputes resolution through mediation mechanism, following agreement of both parties in writing, is final and binding.
- (5) Further provisions regarding procedures for dispute resolution through mediation are conducted in accordance with the provisions of the legislation.

Part Three

Dispute Settlement through Court

Article 50

In the event that the complaints cannot be settled by quality control unit of service and Member' complaints cannot be resolve through mediation mechanism, the dispute settlement can be made through a court of first instance with the jurisdiction over the place of domicile of the petitioner.

CHAPTER XIII
RELATIONS WITH OTHER INSTITUTIONS

Article 51

- (1) In order to improve the quality of the administration of the Social Security program, BPJS cooperates with Government institutions.
- (2) In performing its duties, BPJS may cooperate with other national or international organizations or institutions.
- (3) BPJS may act on behalf of the Republic of Indonesia as a member of the organization or international institutions if there is a provision that requires members of organizations or international institutions to act on behalf of the State.
- (4) Further provisions regarding procedures for interinstitutional relations are regulated by a Government Regulation.

CHAPTER XIV
PROHIBITION

Article 52

Members of the Board of Supervisors and members of the Board of Directors are prohibited from:

- a. having family ties to the third degree amongst members of the Board of Supervisors, among members of the Board of Directors, and between members of the Board of Supervisors and members of the Board of Directors;
- b. having a business that has a connection with the administration of Social Security;
- c. behaving improperly;
- d. having concurrent positions as members of political parties, officials of public organization or social organization or non-governmental organization related to Social Security program, structural and functional officials in the government institution, officials in the business entities and other legal entities;

- e. making or taking decisions which contain elements of conflict of interest;
- f. establishing or having all or part of a business entity associated with Social Security program;
- g. removing or excluding or eliminating a report in registers, documents, or business activities reports, or transactional reports of BPJS and/or Social Security Funds;
- h. misusing and/or embezzling BPJS assets and/or Social Security Funds assets;
- i. cross-subsidizing among programs;
- j. investing BPJS assets and/or Social Security Funds on the types of investments not listed on Government Regulations;
- k. investing except in certain securities and/or investments to improve the quality of human resources and social welfare;
- l. making or causing a false report in registers or in reports, or in documents or business activities reports, or transactional reports of BPJS and/or Social Security Funds, and/or
- m. changing, obscuring, concealing, deleting, or eliminating the existence of a record in bookkeeping, or in the reports or in documents or business activity reports or damage BPJS bookkeeping records and/or the Social Security Funds.

Article 53

- (1) Members of the Board of Supervisors or members of the Board of Directors violating the provisions of prohibition as referred to in Article 52 point a, point b, point c, point d, point e, or point f are imposed administrative sanctions.
- (2) The imposition of administrative sanctions as referred to in section (1) is conducted by the President or designated official.
- (3) Administrative sanctions as referred to in section (1) are in the form of:

- a. written warning;
 - b. suspension; and/or
 - c. termination.
- (4) Further provisions regarding procedures for imposing administrative sanctions are regulated by a Government Regulation.

CHAPTER XV CRIMINAL PROVISIONS

Article 54

Members of the Board of Supervisors or members of the Board of Directors violating the prohibition of provisions as referred to in Article 52 point g, point h, point i, point j, point k, point l, or point m are sentenced with imprisonment for a maximum of 8 (eight) years and a fine for a maximum of Rp1,000,000,000.00 (one billion rupiah).

Article 55

Employers violating provisions as referred to in Article 19 section (1) or section (2) are sentenced with imprisonment for a maximum of 8 (eight) years, or a fine for a maximum of Rp1,000,000,000.00 (one billion rupiah).

CHAPTER XVI MISCELLANEOUS PROVISIONS

Article 56

- (1) The President at any time may request financial reports and performance reports of BPJS as a material consideration in making a Government policy relating to the administration of the national Social Security.
- (2) In the event of fiscal and monetary policies affecting the level of solvency of BPJS, Government may make special policies to ensure the sustainability of the Social Security program.

- (3) In the event of financial crisis and certain conditions that burden the economy, the Government may perform special actions to maintain financial health and sustainability of the administration of Social Security program.

CHAPTER XVII
TRANSITIONAL PROVISIONS

Article 57

At the time this Law comes into force:

- a. State-Owned Limited Liability Company, Perusahaan Perseroan (Persero), PT Asuransi Kesehatan Indonesia, abbreviated as PT Askes (Persero) established by Government Regulation Number 6 of 1992 on Transformation of Husada Bhakti Public Corporation, Perusahaan Umum (Perum) to State-Owned Limited Liability Company (Persero) (State Gazette of the Republic of Indonesia of 1992 Number 16) is acknowledged and remains to administer health security program, including accepting new members, until BPJS Kesehatan begins its operation;
- b. The Ministry of Health remains to conducts the operational activities of public health security program, including accepting new members, until BPJS Kesehatan begins its operation;
- c. The Ministry of Defense, Indonesian National Armed Forces, and Indonesian National Police remains to conduct the operational activities of health program for its members, including accepting new members, until BPJS Kesehatan begins its operation, except for certain health services related to its operations, which is issued by a Presidential Regulation;
- d. State-Owned Limited Liability Company (Persero), PT Jaminan Sosial Tenaga Kerja, abbreviated as PT Jamsostek (Persero), established by Government Regulation Number 36 of 1995 on Establishment of Administrative Agency of Employment Social Security

Program (State Gazette of the Republic of Indonesia of 1995 Number 59), under Law Number 3 of 1992 on Worker Social Security (State Gazette of the Republic of Indonesia of 1992 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 3468) remains to perform the operational activities of the organization for:

1. healthcare security program, including accepting new members until BPJS Kesehatan begins its operation; and
 2. employment injury security, death security, and old-age security programs for its members, including accepting new members until it is transformed into BPJS Ketenagakerjaan.
- e. State-Owned Limited Liability Company (Persero), PT ASABRI or abbreviated as PT ASABRI (Persero) established by Government Regulation Number 68 of 1991 on Transformation of Public Corporation, Perusahaan Umum (Perum) the Republic of Indonesia Armed Forces Social Insurance Public Company into State-Owned State-Owned Limited Liability Company (Persero) (State Gazette of the Republic of Indonesia of 1991 Number 88), based on Law Number 6 of 1966 on Granting of Pensions, Retirement Allowance, and Allowance to Volunteer Military (State Gazette of the Republic of Indonesia of 1966 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 2812), Law Number 11 of 1969 on Employee Pension and Employee Widow/Widower Pension (State Gazette of the Republic of Indonesia of 1969 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 2906), Law Number 8 of 1974 on Principles of Human Resources (State Gazette of the Republic of Indonesia of 1974 Number 55, Supplement to the State Gazette of the Republic of Indonesia Number 3041) as amended by Law Number 43 of 1999 (State Gazette of the Republic of Indonesia of 1999 Number 169, Supplement to the State Gazette of the Republic of

Indonesia Number 3890), Law Number 2 of 1988 on Soldiers of the Republic of Indonesia Armed Forces (State Gazette of the Republic of Indonesia of 1988 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 3369), Government Regulation Number 36 of 1968 on Granting of Pension to Armed Forces Widows, Support for Orphans and Voluntary Military Orphans (State Gazette of the Republic of Indonesia of 1968 Number 61, Supplement to the State Gazette of the Republic of Indonesia Number 2863), and Government Regulation Number 67 of 1991 on the Republic of Indonesia Armed Forces Social Insurance (State Gazette of the Republic of Indonesia of 1991 Number 87, Supplement to the State Gazette of the Republic of Indonesia Number 3455) remains to perform the operational activities of the Republic of Indonesia Armed Forces social insurance program and pension payment program for its members, until it is transferred to BPJS Ketenagakerjaan.

- f. State-Owned Limited Liability Company (Persero), PT DANA TABUNGAN DAN ASURANSI PEGAWAI NEGERI or abbreviated as PT TASPEN (Persero) established by Government Regulation Number 26 of 1981 on Transformation of Civil Servants Savings and Insurance Scheme Public Corporation into State-Owned Limited Liability Company (Persero) (State Gazette of the Republic of Indonesia of 1981 Number 38), under Law Number 11 of 1969 on Civil Servant Pensions and Pensions of Civil Servant's Widow/Widower (State Gazette of the Republic of Indonesia of 1969 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 2906), Law Number 8 of 1974 on Principles of Human Resources (State Gazette of the Republic of Indonesia of 1974 Number 55, Supplement to the State Gazette of the Republic of Indonesia Number 3041) as amended by Law Number 43 of 1999 (State Gazette of the Republic of Indonesia of 1999 Number 169, Supplement to the State Gazette of the Republic of Indonesia Number 3890), and

Government Regulation Number 25 of 1981 on Civil Servants Social Insurance (State Gazette of the Republic of Indonesia of 1981 Number 37, Supplement to the State Gazette of the Republic of Indonesia Number 3200) remains to perform the operational activities of the administration of provident fund and pension fund programs for its members, including accepting new members until it is transferred to BPJS Ketenagakerjaan.

CHAPTER XVIII CLOSING PROVISIONS

Article 58

At the time this Law comes into force until BPJS Kesehatan begins its operation, the Board of Commissioners and the Board of Directors of PT Askes (Persero) are assigned to:

- a. prepare operations of BPJS Kesehatan for health security program in accordance with the provision of Article 22 to Article 28 of Law Number 40 of 2004 on National Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4456).
- b. prepare the transfer of assets and liabilities, personell, as well as rights and obligations of PT Askes (Persero) to BPJS Kesehatan.

Article 59

For the first time, the Board of Commisioners and the Board of Directors of PT Askes (Persero) are designated as the Board of Supervisors and the Board of Directors of BPJS Kesehatan for a maximum of 2 (two) years since BPJS Kesehatan begins its operation.

Article 60

- (1) BPJS Kesehatan begins its operation to administer health security program on 1 January 2014.

- (2) Since the operation of BPJS Kesehatan as referred to in section (1):
 - a. the Ministry of Health no longer administers public health security program;
 - b. the Ministry of Defense, Indonesian National Armed Forces, and Indonesian National Police no longer administer healthservice program for its members, except for certain health services related to its operations as determined by a Presidential Regulation; and
 - c. PT Jamsostek (Persero) no longer administers healthcare security program.
- (3) At the time BPJS Kesehatan begins its operation as referred to in section (1):
 - a. PT Askes (Persero) is declared dissolved without liquidation and all assets and liabilities as well as rights and legal obligations of PT Askes (Persero) becomes the assets and liabilities as well as rights and legal obligations of BPJS Kesehatan;
 - b. all personnel of PT Askes (Persero) become personnel of BPJS Kesehatan; and
 - c. the Minister of State-Owned Enterprises as the General Meeting of Shareholders approves the closing balance report of PT Askes (Persero) as audited by a public accountant office and the Minister of Finance approves the opening balance report of BPJS Kesehatan and opening balance report of health security fund.

Article 61

At the time this Law comes into force until the transformation of PT Jamsostek (Persero) into BPJS Ketenagakerjaan, the Board of Commissioners and the Board of Directors of PT Jamsostek (Persero) are assigned to:

- a. prepare the transfer of healthcare security program to BPJS Kesehatan;
- b. prepare operations of BPJS Ketenagakerjaan for employment injury security, pension security, old-age security, and death security programs;

- c. prepare the transfer of assets and liabilities as well as rights and obligations of healthcare security program of PT Jamsostek (Persero) related to the transfer of healthcare security program to BPJS Kesehatan; and
- d. prepare the transfer of assets and liabilities, personnel, as well as rights and obligations of PT Jamsostek (Persero) to BPJS Ketenagakerjaan.

Article 62

- (1) PT Jamsostek (Persero) is transformed into BPJS Ketenagakerjaan on 1 January 2014.
- (2) At the time PT Jamsostek (Persero) is transformed into BPJS Ketenagakerjaan as referred to in section (1):
 - a. PT Jamsostek (Persero) is declared dissolved without liquidation and all assets and liabilities as well as legal rights and obligations of PT Jamsostek (Persero) become the assets and liabilities as well as legal rights and obligations of BPJS Ketenagakerjaan;
 - b. all personnel of PT Jamsostek (Persero) become employees of BPJS Ketenagakerjaan;
 - c. the Minister of State-Owned Enterprises as the General Meeting of Shareholders validates the closing balance report of PT Jamsostek (Persero) as audited by public accounting firm and the Minister of Finance validates the opening balance report of BPJS Ketenagakerjaan and opening balance report of employment security fund; and
 - d. BPJS Ketenagakerjaan administers employment injury security, old-age security, and death security programs previously administered by PT Jamsostek (Persero), including accepting new members, until BPJS Ketenagakerjaan begins its operation in accordance with provisions of Article 29 to Article 38 and Article 43 to Article 46 of Law Number 40 of 2004 on National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4456), not later than 1 July 2015.

Article 63

For the first time, the Board of Commissioners and the Board of Directors of PT Jamsostek (Persero) are designated as members of the Board of Supervisors and members of the Board of Directors of BPJS Ketenagakerjaan for a maximum period of 2 (two) years since BPJS Ketenagakerjaan begins its operation.

Article 64

BPJS Ketenagakerjaan begins its operation to administer employment injury security, old-age security, pension security, and death security programs for the members, except for the members of PT TASPEN (Persero) and PT ASABRI (Persero), in accordance with the provisions of Article 29 to Article 46 of Law Number 40 of 2004 on National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4456), not later than 1 July 2015.

Article 65

- (1) PT ASABRI (Persero) completes transfer for the Republic of Indonesia Armed Forces Social Insurance and pension payment programs to BPJS Ketenagakerjaan not later than 2029.
- (2) PT TASPEN (Persero) completes transfer of provident fund and pension fund programs to BPJS Ketenagakerjaan not later than 2029.

Article 66

Provisions regarding procedures for the transfer of the Republic of Indonesia Armed Forces Social Insurance and pension fund programs of PT ASABRI (Persero) and the transfer of provident fund and pension fund programs of PT TASPEN (Persero) to BPJS Ketenagakerjaan are regulated by a Government Regulation.

Article 67

Provisions of Article 142 section (2) point a of Law Number 40 of 2007 on Limited Liability Company (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756) and Article 64 section (1) of Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297) are not applicable for liquidation of PT Askes (Persero) and PT Jamsostek (Persero) as referred to in Article 60 section (3) point a and Article 62 section (2) point a.

Article 68

During the transformation of PT Jamsostek (Persero) to BPJS Ketenagakerjaan as referred to in Article 62 section (1), under this Law:

- a. Government Regulation Number 36 of 1995 on Determination of Administrative Agency of Employment Social Security Program (State Gazette of the Republic of Indonesia of 1995 Number 59) is repealed and declared ineffective; and
- b. The provisions of Article 8 to Article 15 of Law Number 3 of 1992 on Employment Social Security (State Gazette of the Republic of Indonesia of 1992 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 3468) are declared to remain effective until the operation of BPJS Ketenagakerjaan as referred to in Article 64.

Article 69

At the time of BPJS Ketenagakerjaan begins its operation as referred to in Article 64 of Law Number 3 of 1992 on Employment Social Security (State Gazette of the Republic of Indonesia of 1992 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 3468) are repealed and declared ineffective.

Article 70

Implementing regulations of this Law must be issued not later than:

- a. 1 (one) year for regulations supporting the operation of BPJS Kesehatan; and
- b. 2 (two) years for regulations supporting the operation of BPJS Ketenagakerjaan as of the promulgation of this Law.

Article 71

This Law comes into force on the date of its promulgation.

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

Enacted in Jakarta
on 25 November 2011

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta
on 25 November 2011

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

AMIR SYAMSUDDIN
STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2011 NUMBER 116

Jakarta, 4 December 2019
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

ELUCIDATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 24 OF 2011
ON
SOCIAL SECURITY AGENCY

I. GENERAL

In the preamble of the 1945 Constitution of the Republic of Indonesia, it is mandated that the purpose of the state is to improve people's welfare. In the Fourth Amendment to the 1945 Constitution of the Republic of Indonesia, such purpose is further emphasized by developing social security system for the welfare of all people.

National social security system is a state program which aims to ensure the protection and social welfare for all people as mandated in Article 28H section (1), section (2) and section (3) and Article 34 section (1) and section (2) of the 1945 Constitution of the Republic of Indonesia. In addition, in Resolution of the People's Consultative Assembly Number X/MPR/2001, the President is assigned to establish a national social security system in order to provide a more comprehensive and integrated social protection for the people.

Upon the enactment of Law Number 40 of 2004 on National Social Security System, Indonesia as a nation has had the Social Security system for all Indonesian people. To reach the goal of the national social security system, it is necessary to form administrative agency which is a legal entity based on the principles of mutual cooperation, non-profit, transparency, prudence, accountability, portability, mandatory participation, trust fund, and the investment yields of the Social Security Funds is used entirely for program development and in the best interests of Members.

Establishment of the Law on Social Security Agency is an implementation of Law Number 40 of 2004 on National Social Security System after the Constitutional Court Decision on case Number 007/PUU-III/2005, in order to provide legal certainty for the establishment of BPJS to administer the Social Security program throughout Indonesia. This Law is the implementation of Article 5 section (1) and Article 52 of Law Number 40 of 2004 on National Social Security System which mandates the establishment of Social Security Agency and institutional transformation of PT Askes (Persero), PT Jamsostek (Persero), PT TASPEN (Persero), and PT ASABRI (Persero) into Social Security Agency. The transformation is followed by the transfer of members, programs, assets and liabilities, personnel, as well as rights and obligations.

Under this Law, 2 (two) BPJS are established, namely BPJS Kesehatan and BPJS Ketenagakerjaan. BPJS Kesehatan administers a health security program and BPJS Ketenagakerjaan administers employment injury security, old-age security, pension security and death security programs. With the establishment of those two BPJS, the coverage of membership of social security program will be expanded gradually.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term “principle of humanity” means a principle related to honor toward human dignity.

Point b

The term “principle of benefits” means an operational principle that defines efficient and effective management.

Point c

The term “principle of social justice for all Indonesian people” means an ideal principle.

Article 3

The term “basic needs of life” means a person’s essential needs to achieve an adequate standard of living, for the creation of social welfare for all Indonesian people.

Article 4

Point a

The term “principle of mutual cooperation” means the principle of solidarity among Members in bearing the cost of Social Security, realized in the obligations of every member to pay Contribution pursuant to their level of Salary, Wage, or income.

Point b

The term “principle of non-profit” means a principle of business management that emphasizes the use of investment yields for the maximum Benefit of all Members.

Point c

The term “principle of transparency” means the principle of easing access to complete, accurate, and clear information to every Member.

Point d

The term “principle of prudence” means the principle of careful, prudent, secure, and orderly financial management of the funds.

Point e

The term “principle of accountability” means the principle of accurate and accountable program administration and financial management.

Point f

The term “principle of portability” means the principle which provides sustainable security despite changes in Member’s occupation or domicile within the territory of the Unitary States of the Republic of Indonesia.

Point g

The term “principle of mandatory participation” means the principle that obliges all residents to be Members of Social Security that is administered in stages.

Point h

The term “principle of trust fund” means that Contributions and its investment yields are a deposited fund from Members to be used in the best interests of the Social Security Members.

Point i

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Point a

The term “collect” means to ask for payment in the event of arrears, non-performing, or shortage of Contribution payment.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The Government sets the standard tariff after getting input from BPJS and associations of health facilities at both national and regional levels.

Amount of tariff in one region may differ from other regions pursuant to the local cost level, in order to obtain payment of health facilities effectively and efficiently.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

The term “other obligations” includes the obligation to register themselves and their Workers as Members, to report membership data including changes in Salary or Wage, the number of Workers and their family members, the Workers addresses, as well as status of Workers.

The term “legislation” means the Law on National Social Security System and its implementing regulations.

Point h

Cooperation with other parties related to the Contribution raise and collection from Members and Employers and Contribution Aid recipients is conducted along with government institutions and local governments, state-owned enterprises, and regional-owned enterprises.

Article 12

Point a

The term “operational fund” means part of accumulation of Social Security Contributions and investment yields that can be used by BPJS to finance operational activities in administering the Social Security program.

Point b

Sufficiently clear.

Article 13

Point a

The term “single identity number” means the specific number given by BPJS to every Member to ensure the good administration of the rights and obligations of every Member. Single identity number applies to all Social Security programs.

Point b

Sufficiently clear.

Point c

Information concerning the performance and financial condition of BPJS includes information concerning amount of assets and liabilities, revenues, and expenditures of each Social Security Fund, and/or amount of assets and liabilities, revenues, and expenditures of BPJS.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Section (1)

The term “Social Security program” in which they participate” means 5 (five) Social Security programs in Law Number 40 of 2004 on National Social Security System.

Section (2)

The term “data” means personal data of Employers and their Workers with their family members, including data changes.

Section (3)

The phases as regulated in Presidential Regulation are based on, among others, the number of Workers, type of business, and/or business scale.

The phases as regulated in Presidential Regulation may not reduce benefits due to Members’ right and Employer’s obligations to participate in Social Security program.

Article 16

Sufficiently clear.

Article 17

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “certain public services” means, among others, processing of business licenses, building permits, proof of ownership of land and buildings.

Section (3)

Sufficiently clear.

Section (4)

The term “Government or local government” means public service unit undertaken by Government or local government.

Section (5)

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Section (1)

Sufficiently clear.

Section (2)

Candidates for members of the Board of Supervisors from element of Workers are proposed by Workers organization at the national level.

Candidates for members of the Board of Supervisors from element of Employers are proposed by entrepreneurs' organization at the national level.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

The term "proposed to be re-designated" means to be re-nominated through selection process.

Article 22

Sufficiently clear.

Article 23

Section (1)

Members from element of professional are people who have expertise and/or special knowledge in the field of Social Security.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The term "proposed to be re-designated" means to be re-nominated through selection process.

Article 24

Section (1)

Sufficiently clear.

Section (2)

Point a

The term "planning" includes the preparation of Annual Work Plan and Budget of BPJS.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term "income" means salary or wage and other additional benefits.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 25

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Qualification criteria for candidates for members of the Board of Supervisors or candidates for members of the Board of Directors are measured from the level of formal education.

Competency criteria for candidates for members of the Board of Supervisors or candidates for members of the Board of Directors are measured based on experience, expertise, and knowledge pursuant to their assignments.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Section (2)

The term “may not hold concurrent positions” means that after being designated as the Board of Supervisors or the Board of Directors, the selected candidates relinquish their positions in government office, including state institutions or other legal entities.

Article 26

Sufficiently clear.

Article 27

Competency criteria for candidates for members of the Board of Directors are measured by their experience, expertise, and knowledge pursuant to their assignments, among others, in the field of economics, finance, banking, actuarial practices, insurance, pension funds, information technology, risk management, health management, employment injury and occupational diseases, and/or law that can be proved by a certificate of competency.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Section (1)

Sufficiently clear.

Section (2)

To perform duties of members of the Board of Supervisors who are suspended, the interim officials proposed by DJSN are selected from among other members of the Board of Supervisors.

To perform duties of members of the Board of Directors who are suspended, the interim officials proposed by DJSN are selected from among members of other Board of Directors.

Section (3)

The term “declared healthy” means a case when declared healthy by a doctor who works at Government-owned hospital.

The term “their status as suspects revoked” means if the investigation is stopped by the investigator.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

DJSN carries out monitoring and evaluate the administration of Social Security program.

Point b

The term “independent supervisory agencies” means the Financial Services Authority. In certain conditions the Audit Board may conduct examination pursuant to their authority.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Assets of social security program may be in the form of money, securities, as well as land and buildings.

Point d

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

The term “legislation” means the Law on Arbitration and Alternative Dispute Resolution.

Article 50

Sufficiently clear.

Article 51

Section (1)

Sufficiently clear.

Section (2)

Cooperation with other domestic or international organizations or institutions is carried out to improve the quality of BPJS or the quality of services to Members.

Section (3)

BPJS membership in international organizations or institutions remains to comply with the legislation in Indonesia.

Section (4)

Sufficiently clear.

Article 52

Point a

The term “family ties” means family ties due to consanguinity or marriage.

Point b

Sufficiently clear.

Point c

The term “behave improperly” means to conduct acts which disgrace the Board of Supervisors and the Board of Directors.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Point l

Sufficiently clear.

Point m

Sufficiently clear.

Article 53

Sufficiently clear.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Certain conditions that burden the economy may be in the form of high inflation rate, a post disaster conditions which caused the use of most of the state economic resources, and so forth.

Special actions to maintain financial health and sustainability of the administration of Social Security but not limited to, adjustment in Benefits, Contributions, and/or retirement age, as a last effort.

Article 57

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Social Insurance Program of the Republic of Indonesian Armed Forces consists of insurance compensation, lump sum insurance compensation, death risk compensation, funeral cost compensation, particular death risk compensation, on-duty disability compensation, off-duty disability compensation, wife/husband funeral cost compensation, and children funeral cost compensation.

Point f

Provident fund program consists of endowment insurance and life insurance.

Article 58

Point a

Preparation for BPJS Kesehatan operation includes:

- a. developing systems and operational procedures required for the operation of BPJS Kesehatan;
- b. disseminating to all stakeholders of health security;
- c. determining the health security program in accordance with provisions of the Law on National Social Security System for Members of PT Askes (Persero);
- d. coordinating with the Ministry of Health for the transfer of the administration of public health security program to

BPJS Kesehatan;

- e. coordinating with the Ministry of Defense, the Indonesian National Armed Force (TNI) and Indonesian National Police (Polri) for the transfer of the administration of health service program for TNI/Polri and civil servants (PNS) in the Ministry of Defense, the Indonesian National Armed Force and Indonesian National Police as well as their family members to BPJS Kesehatan; and
- f. coordinating with PT Jamsostek (Persero) for the transfer of the administration of its healthcare security program to BPJS Kesehatan.

Point b

Preparatory activities for the transfer of assets and liabilities, personnel, as well as rights and obligations of PT Askes (Persero) to BPJS Kesehatan includes:

- a. appointing a public accountant office to conduct audit on the closing balance report of PT Askes (Persero), balance report of BPJS Kesehatan, and the opening balance report of the health security fund; and
- b. preparing the closing balance report of PT Askes (Persero), the opening balance report of BPJS Kesehatan, and the opening balance report of the health security fund.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Point a

Sufficiently clear.

Point b

Preparation for BPJS Ketenagakerjaan operation for employment injury security, old-age security, pension security and death security programs includes:

- a. developing systems and operational procedures required for the operation of BPJS Ketenagakerjaan; and
- b. disseminating to all stakeholders of employment injury security, old-age security, pension security and death security program.

Point c

Sufficiently clear.

Point d

Preparatory activities for the transfer of assets and liabilities, personnel, as well as rights and obligations of PT Jamsostek (Persero) to BPJS Ketenagakerjaan include:

- a. appointing a public accountant office to conduct audit on the closing balance report of PT Jamsostek (Persero), and the opening balance report of BPJS Ketenagakerjaan; and
- b. preparing the closing balance report of PT Jamsostek (Persero), and the opening balance report of BPJS Ketenagakerjaan.

Article 62

Sufficiently clear.

Article 63

Sufficiently clear.

Article 64

Sufficiently clear.

Article 65

Section (1)

PT ASABRI (Persero) completes the transformation roadmap preparation not later than 2014 which among others, includes the transfer of Social Insurance program of the Republic of Indonesia Armed Forces and pension fund program to BPJS Ketenagakerjaan.

Section (2)

PT TASPEN (Persero) completes the preparation of transformation roadmap arrangement not later than 2014 which, among others, includes the transfer of provident fund and pension fund

programs to BPJS Ketenagakerjaan.

Article 66

Social Insurance Program for the Republic of Indonesia Armed Forces and pension fund program transferred from PT ASABRI (Persero) and provident fund and pension fund programs transferred from PT TASPEN (Persero) are parts of the programs in accordance with the Law on National Social Security System.

PT ASABRI (Persero) and PT TASPEN (Persero) complete their transformation roadmap arrangement not later than 2014, which among others, includes the transfer of Social Insurance Program of the Republic of Indonesian Armed Forces and pension fund program from PT ASABRI (Persero) and the transfer of provident fund and pension fund programs to BPJS Ketenagakerjaan.

Article 67

Sufficiently clear.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Sufficiently clear.