

Adapting to Challenges, Strengthening Sustainable Innovations

2020 Integrated Annual Report





Adapting to Challenges, Strengthening Sustainable Innovations

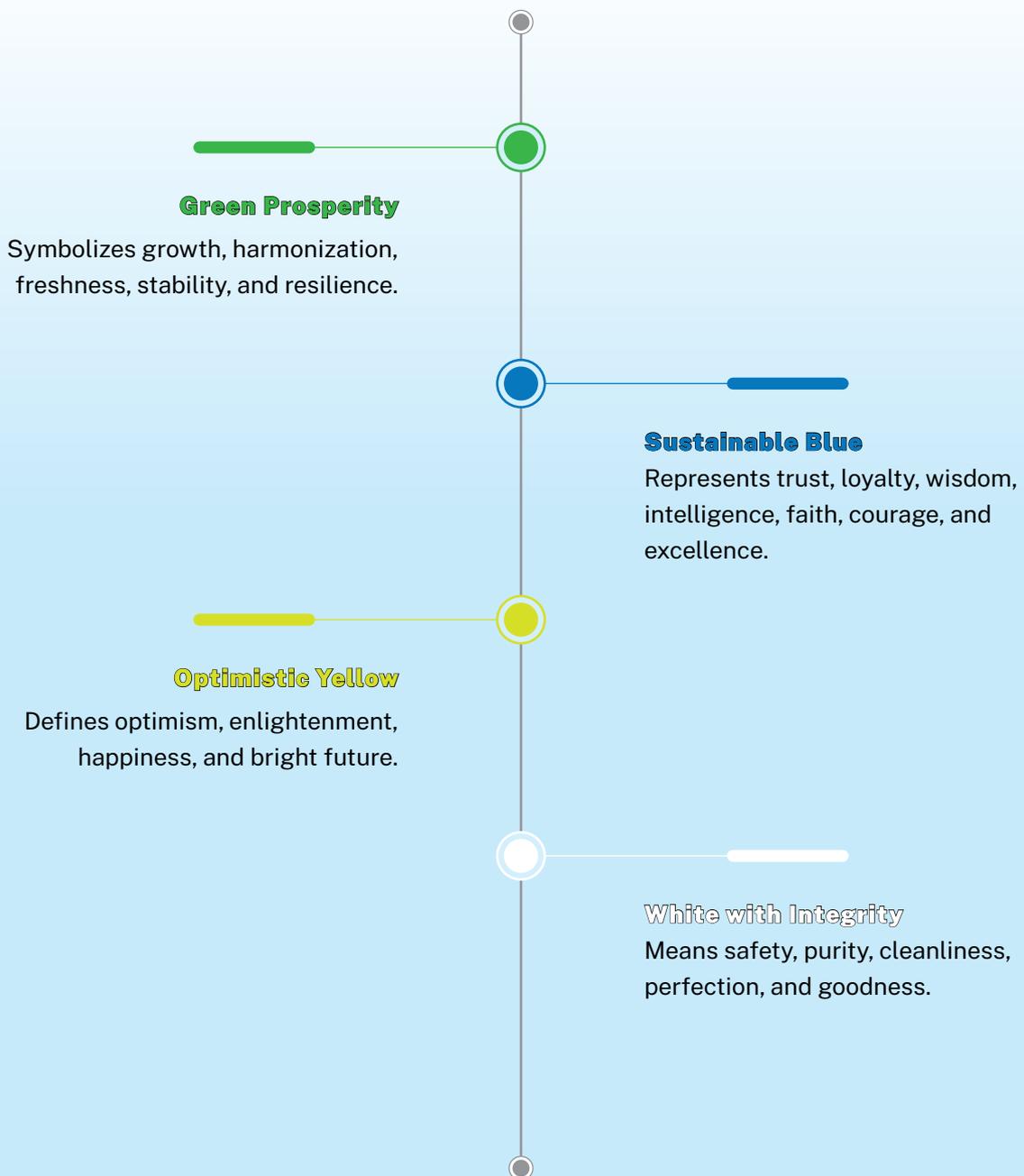
BPJAMSOSTEK copes with the pandemic challenges and is committed to sustainable innovation to provide best services to the members. The technology innovations provide access to social security services available for Indonesians.

Disclaimer

This Integrated Annual Report discloses information on projections, plans, strategies, and forward-looking statements in compliance with prevailing regulations. The forward-looking statements unveil future plans, unprecedented risks derived from changes in Indonesian economic, social, and political circumstances.

This Integrated Report contains such proper nouns as “BPJAMSOSTEK”, “the Agency” and “We” to refer to BPJS Ketenagakerjaan. Words in tables and graphs are in Bahasa-Indonesia writing format, unless stated otherwise.

► Supports for Sustainable Development Goals





Commitment to Sustainability

BPJAMSOSTEK administers sustainable social security insurance programs for Indonesian workers. The administration complies with sustainability practices of operational and services aspects. The aspects covers environment, social, and governance. Furthermore, we are committed to improving programs or benefits providing security and insurance for workers and their families.



Supports for Sustainable Development Goals

BPJAMSOSTEK plays the role in sustaining welfare of workers and their families in face of working or social risks. The role has been carried out since its incorporation and aligns with Sustainable Development Goals (SDGs). Those 5 goals of Sustainable Development prioritized by BPJAMSOSTEK and integrated with its strategies are as following:



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► Summary of 2020 Performance

Summary of Financial Highlights [POJK51-2.a]

Description	Unit	2020	2019*	2018*	2017*	2016*
Profit and Loss Statement						
Operating revenue						
• Operational Income		4.056	4.701	4.608	4.755	4.680
• Non-Operational Income		1.074	1.065	1.213	1.283	877
Operating Expense						
• Operational Expense		4.088	4.444	4.392	4.007	3.559
• Non-Operational Expense		593	712	669	343	555
Surplus Distribution	IDR Billion	2	44	32	N/A	N/A
Income Before Tax		446	566	761	1.668	1.443
Income Tax Expense		383	248	292	389	370
Net-Income of Current Year		63	318	469	1.299	1.073
Total Comprehensive Profit (Loss)		(141)	104	506	1.549	1.538
Consolidated Financial Statement						
Total Assets		15.802	15.837	14.920	14.520	13.370
Total Liabilities	IDR Billion	3.612	3.506	2.693	2.535	2.945
Total Equity		12.190	12.332	12.227	11.721	10.425
Financial Ratios						
Liquidity						
Employment Injury Security (JKK)		296,74	250,48	259,94	265,55	238,47
Death Security (JKM)		108,65	169,08	164,17	147,72	115,44
BPJS		537,37	469,04	667,14	639,24	520,34
Solvability						
Old-Age Security (JHT)		95,42	96,86	100,11	100,97	101,48
Pension Security (JP)		262,05	511,73	627,52	818,35	100,98
Equity to Liability Ratio		337,52	351,75	454,10	418,82	353,96
BOPO	%	90,56	93,75	95,36	75,97	80,70

* restatement

Summary of Operational Performance & Sustainability Performance

Description	Unit	2020	2019	2018*	2017*	2016
Total Employees						
Permanent Employees	Person	6.039	5.886	5.957	4.871	4.361
Prospective Employees		6	316	449	693	709
Total Active Membership						
Employers/Business Entities	Person	638.678	681.429	560.730	488.118	361.972
Workers		29.980.082	34.166.257	30.460.072	26.242.032	27.633.082
Fund Management						
Membership Contribution	IDR Billion	73.263	73.427	65.099	56.412	48.623
Investment Fund		487.058	431.987	364.886	311.118	260.998
Claim Payment						
Old-Age Security	IDR Billion	33.102	27.081	25.446	19.706	17.973
Death Security		1.347	863	708	612	594
Employment Injury Security		1.557	1.577	1.226	972	832
Pension Security		440	196	223	76	161
Customer Satisfaction Based on Survey By Independent Consultant						
Customer Satisfaction Index	%	92,8	95,5	92,6	90,71	88,20
Net Promoter Score		29,31	57,6	43,8	31,90	23,5
JKK-RTW Program						
Total Work Accidents	Case	221.740	182.835	173.415	N/A	N/A
Total Members	Person	1.003	901	716	N/A	N/A
Total Members Returning to Work		858	758	583	N/A	N/A
National Movement for Protection of Vulnerable Workers (GN Lingkaran)						
Total Participating Business Entities		17	44	39	N/A	N/A
Total Contributions	IDR Billion	6.465	17.238	10.227	N/A	N/A
Total participating employees	Person	155.396	359.978	166.068	N/A	N/A
Intermediary Agents (PERISAI) Program						
Total Agents	Person	4.694	7.453	3.593	N/A	N/A
Total Fees Paid by BPJS Ketenagakerjaan	IDR Billion	17,98	11,05	4,8	N/A	N/A
Environmental Aspect of BPJS Ketenagakerjaan						
Electricity Use	GJ	9.300	10.622	10.452	N/A	N/A
Paper Use	Ream	6.400	5.561	3.840	N/A	N/A

Notes: [POJK51-2.a.4][POJK51-2.b.1][POJK51-2.b.2][POJK51-2.b.3]

1. BPJS Ketenagakerjaan protects workers with social security, and therefore it has no ecofriendly products and services. Regardless of the fact, the Agency is committed to any activities or aspects protecting environmental sustainability.
2. Until the end of the reporting period, BPJS Ketenagakerjaan has not calculated the reduction of GHG emissions from operational vehicles.

▶ Board of Supervisors (BoS) Report



Dear respectful stakeholders,

The Board of Supervisors (BoS) using this report state their point of views and opinions on the 2020 performance of the Board of Directors (BoD). The supervision is pursuant to Article 22 paragraph (2) of Law No.24 Year 2011 on Social Security Agency (BPJS). Meanwhile, the assessment and opinions of BoD performance emphasize on the performance to cover economic, environmental, and social aspects.

Supervision Duties

In 2020, the Board of Supervisors (BoS) performed its duties and supervision functions through a number of activities such as meeting, working visits, and regional inspections, discussions, workshops, and focus group discussions (FGD). The BoS has issued the Regulation of Board of Supervisors (BoS) of the Workers Social Security Agency (BPJS Ketenagakerjaan) Number PER/18/DEWAS/122020 on the Governance of Functions, Duties, and Authorities of the Board of Supervisors of BPJS Ketenagakerjaan and 19 Decrees of the BoS of BPJS Ketenagakerjaan.

In 2020, the BoS through its committees supervised the performance of BPJS Ketenagakerjaan. The BoS through the Committee of Membership Expansion and Services (KPKP) took necessary endeavor to support the supervision of membership and services. In 2020, the

BoS accelerated the universal membership coverage and implemented mystery shopping research on services during the COVID-19 pandemic.

Through the Committee of Organization Performance and HR Management Policy, the BoS carried a number of activities such as the study on culture cultivation and sharing sessions on digital transformation integrating performance appraisal system and Human Capital Information System (HCIS). In relation to risk management and information technology, the BoS through the Committee of Risk Management Monitoring and Information Technology studied risks, challenges, and opportunities in the 4.0 industry revolution era. In similar manner, the BoS performed big-data analysis to support its supervision duties and better improve the performance of SiDewas through education for PERISAI or the cadres of BPJS Ketenagakerjaan.

The BoS through the Committee of Budget, Audit, and Actuary performed the First and Second Internal Control Evaluation (EIC), discussed the 2020 Annual Audit Work Program (PKAT) conducted by Internal Supervisory Unit (SPI), and developed Intern Audit Management System (SIMAI) of BPJS Ketenagakerjaan v2.0 into Internal Controlling System. Likewise, supervision dashboard was implemented to strengthen the function of SPI and support the supervision duties.

BoS Outlook of 2020 Actual Performance and Target

In general, the Board of Supervisors (BoS) considered that the Board of Directors (BoD) proved its credibility in managing BPJS Ketenagakerjaan and its achievement of actualizing targets stated in the Annual Work and Budget Plan (RKAT) regardless of a bit flaw subject to future improvement.

Until December 2020, the membership contributions received amounted to IDR73,263 billion or 121.10% from the target. The 2020 amount decreased by 0.22% from IDR73,427 billion in 2019. Nevertheless, the decrease was relevant with regard to the implementation of Government Regulation Number 49 Year of 2020 on Relaxed Contributions of Social Security Programs for Employers, Wage Recipient Workers (PU), and Non-Wage Recipient Workers (BPU) during the COVID-19 Pandemic.

Further, the investment funds managed amounted to IDR487,058 billion per December 31, 2020. The amount increased by 12.75% from IDR431,987 billion in 2019. With respect to the COVID-19 pandemic, the BoS and BoD invested the managed funds with cautious manner so that the maximum returns were gained, while complying with the prevailing regulations.

In term of the payment for benefits, the BoS evaluated BoD succeeded in implementing backstop to deal with the COVID-19 challenges. The Agency served its members with optimal services regardless of the 2020 payment for benefits increased by 4.46% to IDR34.45 billion or higher than IDR29.71 billion in 2019.

The BoS appreciated the BoD's innovation in rolling out digital services through Layanan Tanpa Kontak Fisik (LAPAK ASIK) since March 2020. This digitized backstop allows members to register and administer their membership at ease and promote digital transformation. Also, LAPAK ASIK contains the spread of COVID-19. However, the BoS encouraged the optimal activation of LAPAK ASIK as the use of online service in 2020 was at only 80%.

In the matter of good governance practices, the BoS ensured the BoD complied with the prevailing laws while managing BPJS Ketenagakerjaan and taking precautionary measures against fraud. The BoS promoted actively the practices of Whistleblowing System (WBS), cooperation with Corruption Eradication Commission (KPK), and submission of Wealth Report of State Officials (LHKPN) by the Agency's structural officials.

Setbacks and Challenges

Dear respected stakeholders,

The BoS analyzed setback and challenges to better improve the administration of programs of social security insurance for workers. The BoD should increase the membership acquisition of Non-Wage Recipient (BPU) workers because until the end of 2020, the membership was dominated by Wage Recipient (PU) workers. Further innovation is crucial to boost the effective and sustainable performance of PERISAI and GN Lingkaran.

Likewise, the BoD took into account of the Regulation of the Minister of Manpower (Permenaker) Number 5 Year of 2021 as the guidelines on scholarships granted to heirs of members who die of working accidents. Another challenge is sustainable digital transformation to boost membership acquisition, improve quality services to members, and shorten duration of services.

Assessment of Sustainability Prospects and Achievement-Oriented Strategies

Dear respected stakeholders,

The BoS argued the prolonged duration of COVID-19 in 2021 affects the performance of BPJS Ketenagakerjaan

and programs of social security and insurance for workers. Another to the virus shock, the Government Regulation (PP) Number 37 Year of 2021 on the Administration of Job Loss Security Program affects the sustainable performance and programs of the Agency.

With respect to the government regulation, the Agency should provide social security to the laid-off workers or labors. The social security programs are in forms of cash, information on access to employment, and vocational training. The BoS appreciates the implementation of Unemployment Benefit (JKP) Program as the one of prioritized programs by the BoD. The BoS advises the BoD to prepare well all the administration of JKP

Program, so that workers and labors get the social security benefits.

Closing

Dear respected stakeholders,
Prior to the closing of this brief remark, the BoS sincerely thanked for supports given by the BoD, staff of BPJS Ketenagakerjaan, and stakeholders. The supports enabled the BoS to carry out its duties and supervisory roles. We expect the existing cooperation can be mutually maintained in foreseeable future with regard to challenges the BoS has to cope with and complex supervision duties the BoS has to administer.

► Board of Directors (BoD) Report [POJK51-4.A.1;4.A.2;4.A.3;4.A.4;4.A.5] [POJK51-4.b.1;4.b.2] [102-14]

Dear respected stakeholders,

The 2020 Integrated Annual Report (IR) of BPJS Ketenagakerjaan is supplementary to the BoD performance report submitted to the Government and the Board of National Social Security. The information disclosed in this IR is pursuant to the 2020 Financial Year Report and sustainable performance report to end on December 31st, 2020. The draft of this IR report was in accordance with the guidelines published by International Integrated Report Council and was adjusted to the public agency status of BPJS Ketenagakerjaan and the prevailing regulations in Indonesia.

BPJS Ketenagakerjaan is committed to the implementation of sustainability values as elaborated in its vision and mission, as well as its values: Excellence, Good Roles, Harmonies, Integrity, Cares, and Enthusiasm (ETHIKA). In accordance to its vision and mission, the Agency implements its sustainable values through reliable administration, good governance, and excellent operation and services. Through its programs of social security insurance, BPJS Ketenagakerjaan is committed

to providing insurance and welfare to workers and their families, boosting productivity and competency of workers, supporting national infrastructure and economy independence. The commitment reflects its tangible efforts to balance the managed funds and investment returns (profit), benefits given to members and stakeholders (people), and supports for sustainable environment (planet).



2020 Actual Performance and Targets

Dear respected stakeholders,

The COVID-19 pandemic affected the performance and achievement of the Agency in 2020. With respect to the pandemic, the Agency took whatever necessary strategic policies to manage the existing capital so that the process of value creation kept on its track. Under the 2017-2021 Strategic Plans revised, the Agency created value added from the existing capital to be distributed to the stakeholders according to their needs and provide tangible contributions to the sustainable development goals (SDGs).

The performance of membership acquisition is the social capital of the Agency. This social capital enables the Agency to cope with challenges of massive laid-off workers. The massive lay-offs increased the membership acquisition by 54.84% with 50,696,599 workers entitled for social security insurance. The number constituted a 39.47% security insurance or equal to 128.45 million workers of the total Indonesia workers, according to the data of Statistics Indonesia (BPS) per August, 2020. Until December 2020, the Agency acquired 29,980,082 members or 101.63% of 29,500,000 new members targeted.

The achievement was possible due to the credible human capital management and supports from 6,045 employees to be comprised of 844 employees at the Headquarters and 5,201 employees in the branch offices. The Agency applies Human Capital Information System (HCIS) and competency-based career management system for managing its human resources. BPJS Ketenagakerjaan ensures only the best talents leading the organizational officials. Until the end of 2020, 98.75% of 160 officials from Deputy Directors of Departments and Deputy Directors of Regions to the Head of Branch Offices were led by the best talents.

In 2020, the performance of financial capital was challenged by the prevailing Government Regulation Number 49 Year 2020 on the Relaxed Contributions of Social Security Insurance Programs for Employers, Wage Recipients, and Non-Wage Recipients during the COVID-19 pandemic. In compliance with the regulation, the Agency relaxed contributions paid by employers/companies hit hardest by the COVID-19 pandemic. The relaxed contributions were in forms of the prolonged deadline for contribution payment, lowered contributions of Employment Injury Security (JKK) Program, Old-Age Security (JHT) Program, Death Security (JKM) Program,

and Pension Security (JP) Program. Regardless of the compliance with the regulation of relaxed contributions, the Agency educated the large-cap and middle-cap companies to not take advantage of the regulation and succeeded in achieving the 2020 target of membership contributions. Until December 2020, the Agency received paid membership contributions of IDR73,263.77 billion or 121.10% of the target. The amount was slightly lower by 0.22% from IDR73,427 billion in 2019.

Until the end of December 31, 2020, the total investment funds managed amounted to IDR487.058 billion increasing by 12.75% from IDR431,987 billion in 2019. The total investment funds consisted of IDR475,391 billion of Social Security Funds (DJS) and IDR11,666 billion for BPJS. The total funds managed reflected 106.67% of the target of DJS investment funds and 106.68% of the target of BPJS investment funds. Despite the high revenues from paid contributions, BPJS Ketenagakerjaan cautiously invested the funds in order to gain maximum investment returns, thereby giving best benefits for its members.

The uncertain duration of COVID-19 pandemic increased the payment on the 2020 security benefits to reach IDR34.45 billion or 4.46% of RKAT estimated and higher than IDR29.71 billion in 2019. The destructive impacts of COVID-19 increased the amount of claims paid, and BPJS Ketenagakerjaan transformed the insurance expense to contain the spread of COVID-19 infection. The members can use Layanan Tanpa Kontak Fisik (LAPAK ASIK) application to submit their claims. This virtual claim submission is accessible as of March 2020 in the branch offices of BPJS Ketenagakerjaan. LAPAK ASIK consists of online, offline, and collective channels, and the online channel to receive 80% of the total claim submission was the most preferred platform among the others. [102-33][102-34]

Dear respected stakeholders,
The strategies for optimizing intellectual property using information technology supported the 2020 performance. The digital platform facilitates the members with online claim submission LAPAK ASIK eliminating physical contact. Another strategy was the

manufacture capital to establish the network of offline services by better developing Pioneer Offices into Primary Branch Offices Type C & D led by the head of branch offices to administer account representative, administrators for services and general affairs, as well as financial and IT administrators.

The Agency provides workers with insurance and social security programs (i.e., Employment Injury Security (JKK), Old-Age Security (JHT), Death Security (JKM), and Pension Security (JP)). Also, in compliance with the Government Regulation (PP) Number 81 Year of 2019, the Agency has better improved benefits given to members. Particularly, fully covered recovering treatments are given to injured workers. In addition, the Regulation of the Minister of Manpower of the Republic of Indonesia (Permenaker) Number 5 Year of 2021 on Administration of JKK, JKM, and JHT regulates the scholarship provision for heirs of deceased workers.

On April 21, 2021, in compliance with the Permenaker Number 5 Year of 2021, the BoD granted scholarships to heirs of the members. The events of scholarship granting were carried out across Indonesia. There were 10,451 heirs of the members with the total scholarship grant of IDR115,64 billion.

Likewise, BPJS Ketenagakerjaan operation benefits the public and Non-Wage Recipient Workers (BPU). For example, PERISAI opened working opportunities for more than 2,150 people. Across-sector companies raised donation for 155,396 Indonesian workers to pay their membership contributions. During 2020, the Agency contributed to the national economy by paying taxes of IDR382 billion. In similar manner, the Agency was committed to the 2020 social and environmental responsibilities through Jembatan Bersama Program and spent IDR1.22 billion on the program.

In 2020, BPJS Ketenagakerjaan provided Wage Subsidy (BSU) Program rolled out by the Government. BSU Program supports the recovery of national economy and is the country financial policy on COVID-19 recovery measure. The BSU Program is value-added for the workers who are active members of BPJS

Ketenagakerjaan. The administration of BSU Program refers to the Regulation of the Minister of Manpower of the Republic of Indonesia Number 14 Year of 2020 on the Guidelines for Government Aid Distribution in Forms of Wage Subsidies for Workers/Labors with respect to Recovery Measures for Destructive Impacts of COVID-19. In 2020, the Agency distributed BSU for 12.4 million workers with the total budget of IDR29.4 trillion.

Setback and Challenges [POJK51-4.c.1][POJK51-4.c.3]

Dear respected stakeholders,

In general, the Agency faced major challenges of membership acquisition. In fact, the efforts to boost acquisition was hampered by the last-longer wrecking impacts of COVID-19 in 2020. The absence of physical meeting hampered direct acquisition through public dissemination. Also, the COVID-19 pandemic increased the number of laid-off workers and reduced the acquisition of Non-Wage Recipient Workers (BPU) whose incomes were hit hardest by the COVID-19.

We coped with such challenges by taking necessary measures, for example, digitalized services accessible for the members and one-year membership activation of JHT claims by Wage Recipient (PU) workers. The measures secured the number of membership and ensured that laid-off workers were entitled for JKK and JKM insurance, while they were looking for new working opportunities. In relation to Non-Wage Recipient Worker (BPU), the Agency boosted the membership acquisition through PERISAI and GN Lingkaran. [POJK51-2.4.A.2]

Sustainable Performance and Strategic Achievement [POJK51-4.c.2]

Dear respected stakeholders,

BPJS Ketenagakerjaan faces the tough challenges in 2021, and the BoD identifies four major challenges. They are security insurance for workers, security insurance in the labor market of the 4.0 industry era, improvement of benefits, ease, and fast services, as well as better IT agility, data use, and collaboration. To cope with the challenges, the BoD sets the top-five prioritized programs. First priority is to simplify registration and payment administration, and the second is to protect workers in the era of digital economy and prepare

the implementation of Unemployment Benefit (JKP) Program pursuant to the Law on Job Creation. The third is to promote Jamsostek Mobile (J-Mob) application to improve quality services, and the fourth is to strengthen infrastructure. Finally, the fifth prioritized program is to accelerate quality and data integration by technology transition.

BPJS Ketenagakerjaan is committed to improving quality services to members enforced in excellent service principles as its blueprint. Periodically, the Agency conducts e-survey in each of regions to figure out members' satisfaction of services provided by BPJS Ketenagakerjaan. Another to e-survey, Customer Satisfaction Index (CSI) is performed on a periodical basis. Based on the 2020 e-survey to involve 956,508 members, 86.86% was very satisfied; 11.67% was satisfied; and 1.10% was fairly satisfied, 0.18% was less satisfied; and 0.20% was dissatisfied. As for the CSI survey conducted nationally with 8,000 respondents by sampling, the results obtained were 92.8% for CSI, and 29.31% for Net Promoter Score.

Closing

Dear respected stakeholders,

Last but not the least, the BoD owed appreciation to stakeholders, the BoS, and all parties for their supports and encouragement. The mutual hard work enabled the Agency to achieved excellent performance and provide Indonesian workers with proper social insurance and security.

► BoD and BoS Responsibility Statements of 2020 BPJS Ketenagakerjaan Integrated Annual Report

We the undersigned, certify that all information in the Integrated Annual Report 2020 of BPJS Ketenagakerjaan has been presented completely, and are fully responsible for the accuracy of the content of this Integrated Annual Report. This statement is made truthfully.

2021-2026 Board of Supervisors



Muhammad Zuhri

Chairman of Board of Supervisors



Agung Nugroho

Member of Board of Supervision
Workers' Element



H. Yayat Syariful Hidayat

Member of Board of Supervision
Workers' Element



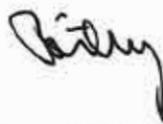
Kushari Suprianto

Member of Board of Supervision
Government Element



M. Aditya Warman

Member of Board of Supervision
Employers' Element



M. Iman Nuril Hidayat Budi Pinuji

Member of Board of Supervision
Community Element



Subchan Gatot

Member of Board of Supervision
Employers' Element

2021-2026 Board of Directors



Anggoro Eko Cahyo
President Director



Asep Rahmat Suwandha
Director of Finance



Pramudya Iriawan Buntoro
Director of Strategic Planning &
Information Technology



Zainudin
Director of Membership



Roswita Nilakurnia
Director of Service



Edwin Ridwan, CFA, FRM
Director of Investment Development



Abdur Rahman Irsyadi
Director of Human Capital &
General Affairs

► About the Integrated Annual Report [R-4H]

The Integrated Annual Report of BPJS Ketenagakerjaan discloses information on the Agency's strategy, performance, opportunities, and sustainability in managing financial and economic, governance, social, and environmental issues. Thus, the stakeholders obtain comprehensive information on the implementation of the Agency's performance in providing social protection in the long term through sustainable value creation.



BPJAMSOSTEK's six-capital value creation model is described on page 42 of this report.

Disclosure of information in this Report includes consolidated financial performance and sustainability performance based on material topics determined in the group discussion on April 9, 2021, for the period January 1 - December 31, 2020. The Consolidated Financial Statements have been audited by a public accounting firm, while information and data on sustainability performance have been verified by an independent institution, based on the approval of the Director taking into account the applicable regulations. There are no significant changes from the previous Report published on February 3, 2021.

The report is equipped with the GRI Standards: comprehensive option, Financial Services Authority Regulation (POJK) No.51/POJK.03/2017, Integrated Reporting Framework, and conformity with the Sustainable Development Goals (SDGs). [102-10][102-44][102-54][102-45][102-46][102-49][102-50][102-51][102-52][102-55][102-56][POJK51-7]

In accordance with the activities of the Agency whose business processes are not directly related to the environment, the following indicators are not relevant to be submitted in the Report: [POJK51-6.e.1; 6.e.2; 6.e.3; 6.e.4; 6.e.5; 6.e.6;6.f.4]

Information on Website

This report is complemented by online publications that serve the diverse needs of the BPJS Ketenagakerjaan stakeholder base, as part of a comprehensive, integrated reporting that can be accessed on the website www.bpjsketenagakerjaan.go.id

In 2020, the identification of the Sustainable Development Goals follows the Metadata of the Sustainable Development Goals Indicators of the Ministry of National Development Planning/National Development Planning Agency.



Material Topics and Impacts on Stakeholders

Material Topics

- Economic Performance
- Education and Training
- Marketing and Labeling
- Indirect Economic Impact
- Diversity and Equality
- Anti-corruption
- Confidentiality of Participants
- Energy

The determined material topics have been reviewed and approved by the Director of Finance, who is responsible for the preparation and issuance of the Report.

[102-32][102-47]

Impacts on Stakeholders

Internal Stakeholders

- Government
- Employees

External Stakeholders

- Participants
- Partners
- Community
- Media

Stakeholder involvement is carried out through various methods according to the needs of each stakeholder.

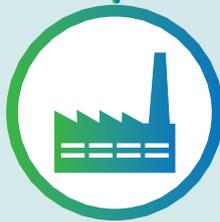
[102-40][102-42][102-43][POJK51-5.d]

Six Capitals for Value Creation



Financial Capital

The Agency manages membership contribution in order to provide sustainable social security benefits to workers.



Natural Capital

The Agency's operations are supported by efficient energy management, accompanied by a commitment to minimize waste.



Human Capital

The Agency is supported by employees and leadership with high dedication, competence, and integrity.



Intellectual Capital

The Agency continues to develop technological innovations to support operations and services to participants.



Manufactured Capital

The Agency's operations are supported by branch offices and PERISAI agents throughout Indonesia.



Social Capital

The workforce that continues to grow has become a target for social security carried out by the Agency.

Internal : Vision and Mission | Risk Management | Opportunity & Challenge |

Input

Financial Capital

The Agency manages membership contribution in order to provide sustainable social security benefits to workers.

Human Capital

The Agency is supported by employees and leadership with high dedication, competence, and integrity.

Manufactured Capital

The Agency's operations are supported by branch offices and PERISAI agents throughout Indonesia.

Natural Capital

The Agency's operations are supported by efficient energy management, accompanied by a commitment to minimize waste.

Intellectual Capital

The Agency continues to develop technological innovations to support operations and services to participants.

Social Capital

The workforce that continues to grow has become a target for social security carried out by the Agency.



Business Process

Strategic Plan 2017 – 2021 [POJK51-1]

Strategic Outcome

- Increase coverage of social security recipients
- Increase member satisfaction
- Increase workforce engagement
- Maintain public trust
- Increase contribution payment and total managed fund

Strategic Driver

- Implement prudent investment strategy practices
- Product-added benefit innovation
- Improve Brand Recognition of BPJS Ketenagakerjaan in the community
- Collaboration and empowerment of external strategic partners
- Ensure compliance by collaborating with law enforcement officers
- Improve operational services
- Optimization of non-organic networks and digital services
- Maintain internal compliance
- Increase the capacity of BPJS Ketenagakerjaan

Human, Information Communication Technology (ICT), and Financial Resources

- Improve the ability and Engagement of Human Resources (HR)
- Ensure the reliability of information technology (IT) systems that support operations in the digital era

Eksternal : COVID-19 Pandemic | National & Global Economic Situation

Output

- Total managed fund: IDR487,058.87 billion
- Yield value: IDR32.33 billion
- Total claim payment: IDR36,445.47 billion

- Number of employees: 6,045
- Average number of training hours per employee: 31 hours

- Number of regional offices: 11
- Number of branch offices: 325
- Total PERISAI agents: 4,694

- Total energy consumption for Headquarters operations: 9,300 GJ
- Green Building certificate for BP Jamsostek Plaza Building

- Total self-developed applications: 17 apps
- All offices have implemented online services

- Acquisition of new participants: 523,540
- Total BPJAMSOSTEK participants: 50,696,599
- Total PERISAI agents: 4,694
- Participants GN Lingkaran: 155,396



Outcome

Member of Wage

Recipients:
33,447,304

Member of Construction

Services:
8,589,829

Member of Non-Wage

Recipients:
6,538,734

Managed Funds:
IDR657,105 billion.

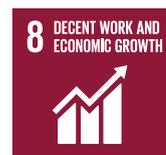
Good Governance Index
96%.

Branding (Brand Equity):
90%

Member Satisfaction Index:
92%

Environmentally Friendly Office Operation

SDGs



► About BPJS Ketenagakerjaan

Timeline of BPJS Ketenagakerjaan [102-1]

1977

The enactment of PP No. 34 of 1997 on the Establishment of a Public Employment Social Insurance Company (Perum Astek), followed by the establishment of Perum Astek.

1995

The enactment of PP No. 36 of 1995 on the Establishment of the Administering Agency for the Workers Social Security Program, and the stipulation of PT Jamsostek as the administering agency of the Workers Social Security.

2016

The President inaugurated the Board of Supervisors and the Board of Directors of BPJS Ketenagakerjaan, for the period 2016-2021, based on Presidential Decree No.25/P/2016.

2014

PT Jamsostek (Persero) changed to BPJS Ketenagakerjaan.

2020

The Service without Physical Contact (LAPAK ASIK) is a momentum for BPJS Ketenagakerjaan to provide a decent and safe workplace for workers and participants, while still providing services during the COVID-19 pandemic. [POJK51-6.c.2.c]

2021

The Board of Supervisors and the Board of Directors of BPJS Ketenagakerjaan, for the period 2021-2026, were inaugurated by the President of the Republic of Indonesia based on Presidential Decree No. 38/P of 2021.

Vision

To become the National Pride of Social Security Agency, which is trustworthy, has good governance, and excels in operations and services. [POJK51-3.a][102-16]

Mission

Through the Workers Social Security Program, BPJS Ketenagakerjaan is committed to:

1. Protecting and prospering all workers and their families.
2. Increasing productivity and competitiveness of workers.
3. Supporting the development and self-sufficient of the national economy.

[POJK51-3.a][102-16]

Core Values [POJK51-3.a][102-16] [IR-1A,IR-4A 4.5]

BPJS Ketenagakerjaan Personnel as faithful and devout persons to the One and Almighty God, working deemed as part of religious observance to bring about benefits and values for workers, their families, communities and nation.

IMAN
FAITH

ETHIKA



EKSELEN
Excellent

BPJS Ketenagakerjaan Personnel must show professional, innovative attitudes and serious in pursuing benefits and added values for the organization and environment.



TELADAN
Role Model

BPJS Ketenagakerjaan personnel, starting individually, must behave in compliance with the norms, ethics, and regulations applicable to become role model for the others.



HARMONI
Harmony

BPJS Ketenagakerjaan personnel must be able to foster cooperation, harmony, and put collective success as top priority.



INTEGRITAS
Integrity

BPJS Ketenagakerjaan personnel must at all times maintain the given trust, honesty, one in word and deed, trustable and committed to obey norms, ethics and regulations as applicable.



KEPEDULIAN
Concern

BPJS Ketenagakerjaan personnel is committed to better improvement of members' security programs, working environment, and organization development.



ANTUSIAS
Enthusiastic

BPJS Ketenagakerjaan personnel must at all times show vibrant, proactive and enthusiastic mood when performing the given jobs.

Year of Establishment and Operation

Tahun 2014

Legal Basis of Establishment

Law No. 24 Year 2011 on the Social Security Agency (BPJS)

Business Fields and Organized Programs

Organizing protection and welfare programs for all workers and their families through the social security system. Organized Programs:

1. Employment Injury Security (JKK)
2. Death Security (JKM)
3. Old-Age Security (JHT)
4. Pension Security (JP)

[POJK51-3.d][102-2]

Ownership and Legal Form

BPJS Ketenagakerjaan is a public legal entity established by the Government of Indonesia and responsible to the President. There is no share ownership in the Agency. [POJK51-3.c.3][102-5]

Issued Capital and Fully Paid-up Capital

In accordance with Article 62 of Law No. 24 Year 2011, BPJS Ketenagakerjaan does not have an authorized capital as well as issued capital and fully paid up capital.

Markets Served

- Employer/Business Entity: 683,678
 - Worker: 29,980,082
- Participation covers all types and scales of business activities.

Subsidiary and Associate Company

Subsidiary

1. PT Binajasa Abadikarya
2. PT Sinergi Investasi Properti

Operation Area

Throughout Indonesia.

[POJK51-3.c.4][102-4][102-6]

Contact BPJS Ketenagakerjaan

Deputy Director for Corporate Secretary
BPJS Ketenagakerjaan Headquarters
Phone: +62 21 520 7797 | Fax: +62 21 520 2310
Email: depdir.hml@bpjsketenagakerjaan.go.id

[POJK51-3.b][102-53]

Membership of Association [102-13] [POJK51-3.e]



International Social Security Association



Asean Social Security Association



Asian Workers' Compensation Association

Strategic Partners [102-13] [POJK51-3.e]



International Labour Organization



THE WORLD BANK

World Bank



Japan International Cooperation Agency (JICA), Indonesia

giz

Gesellschaft für Internationale Zusammenarbeit (GIZ), Jerman

KOICA
Korea International Cooperation Agency

Korea International Cooperation Agency (KOICA), Indonesia

Information on important events related to the activities carried out by the Agency during 2020 can be viewed and accessed through the website: www.bpjsketenagakerjaan.go.id.

Participation

Number of Participants

- Total realization 50,696,599 participants
- Growing -7.77% year on year

Active Worker Participation

- Total realization of 29,980,082 participants
- Growing -12.25% year on year

Employer/Business Entity Participation

- Total realization of 683,678 participants
- Growing 0.33% year on year

E-Survey of Member Satisfaction Level

- Survey participants 956,508 members
- 86.86% Very Satisfied
- 11.67% Satisfied

Member Satisfaction

- Member Satisfaction Index 92.8%
- Net Promoter Score 29.31%

Contribution and Investment Yield

Contribution Collected

- Total realization IDR73,263 billion
- Growing -0.22% year on year

Yield

- Yield value of IDR32.33 billion
- or 6.64% of total investment funds
- Growing 10.90% year on year

Realization of Investment Fund

- The realized value of investment funds is IDR487.06 billion
- Growing 12.75% year on year

Benefit

Realization of Benefit Payment

- Total IDR36,445.47 billion
- Old-Age Security (JHT)
- IDR33,102.92 billion and 2.5 million cases
- Death Security (JKM) IDR1,346.74 billion and 34.7 thousand cases
- Employment Injury Security (JKK)
- IDR1,556.94 billion and 221.7 thousand cases
- Pension Security (JP)
- IDR439.87 billion and 97.5 thousand cases

Employment Injury Security – Return To Work (JKK RTW)

- Total participants: 1,003 people
- As many as 858 people or 86% of JKK RTW participants have returned to work

Social and Environmental Responsibility (CSR)

- CSR Fund: IDR78.175 million

GN Lingkaran

- 17 Participating Business Entities
- Total active membership fee payment of IDR6,465 billion

PERISAI

- 4,694 agents (2020)
- Growing 37.02%

Contribution of BPJS Ketenagakerjaan to COVID-19 Pandemic Response

Donations from 6,100 employees, the Board of Directors and the Board of Supervisors of BPJAMSOSTEK, for the protection of volunteers from the National Disaster Mitigation Agency (BNPB). As many as 8,000 registered volunteers of BNPB receive protection from the Employment Injury Security (JKK) and Death Security (JKM) since April 2020. Until the end of 2020 there are 5,265 volunteers who have registered as BPJAMSOSTEK participants.

The reallocation of the operational budget of IDR300 billion to vocational programs for participants who have been laid off, as well as promotive and preventive aid for the prevention of COVID-19.

Realization of the vocational program of the laid-off participants: 3,448

Realization of promotive and preventive aid:

- 615,000 masks, 123,000 vitamins and 6,400 units of personal protective equipment (PPE) for BPJAMSOSTEK participants.
- Free lunch for app-based 'ojek' drivers in Jakarta area, in collaboration with 150 food stalls in Jakarta.

Relaxation of contribution for Workers Social Security Program in accordance with Government Regulation No. 49 Year 2020 concerning Adjustment of Workers Social Security Contributions During Non-Natural Disasters of COVID-19 Outbreak.

Realization until the end of 2020:

Reduction of JKK-JKM Contributions of IDR4.10 Trillion and Potential Receivables of JP Contributions of IDR96.59 Billion.

Provision of salary/wages subsidy for workers/labors, in accordance with the Regulation of the Minister of Manpower No. 14 Year 2020 concerning Guidelines for Providing Government Assistance in the Form of Salary/Wage Subsidy for Workers/Labors in Handling the Impact of COVID-19. Realization until the end of 2020: 12.4 million recipients

The stakeholders are the Government (i.e., central and regional government, governmental agencies), staff, members (i.e., employers and workers), partners (i.e., vendors and Perisai agents), community or the public, and media. The analysis of interaction patterns and

nature of involvement with social security programs are medium for stakeholder identification as varied methods based on stakeholders' distinct needs are applicable.

[POJK51-5.d][102-40][102-42][102-43]

Government



Important Issues:

- Regulatory compliance
- Economic performance
- Anti-corruption
- Energy

Approach:

- Submission of reports and fulfillment of obligations in accordance with regulations

Staff



Important Issues:

- Welfare
- Education and training
- Diversity and equality

Approach:

- Fulfillment of normative rights and human resource development



Partners

Important Issues:

- Employment contract

Approach:

- Employment contract transparency and performance evaluation



Participant

Important Issues:

- Access to information and services
- Marketing and labeling
- Confidentiality of participants
- Participant safety and health services

Approach:

- Publicity, education, and digitalization based on the BPJSTKU application

Community

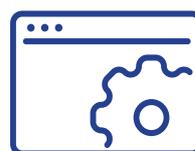


Important Issues:

- Improved well-being
- Indirect economic impact
- Anti-corruption

Approach:

- Implementation of social responsibility



Media

Important Issues:

- Disclosure of information

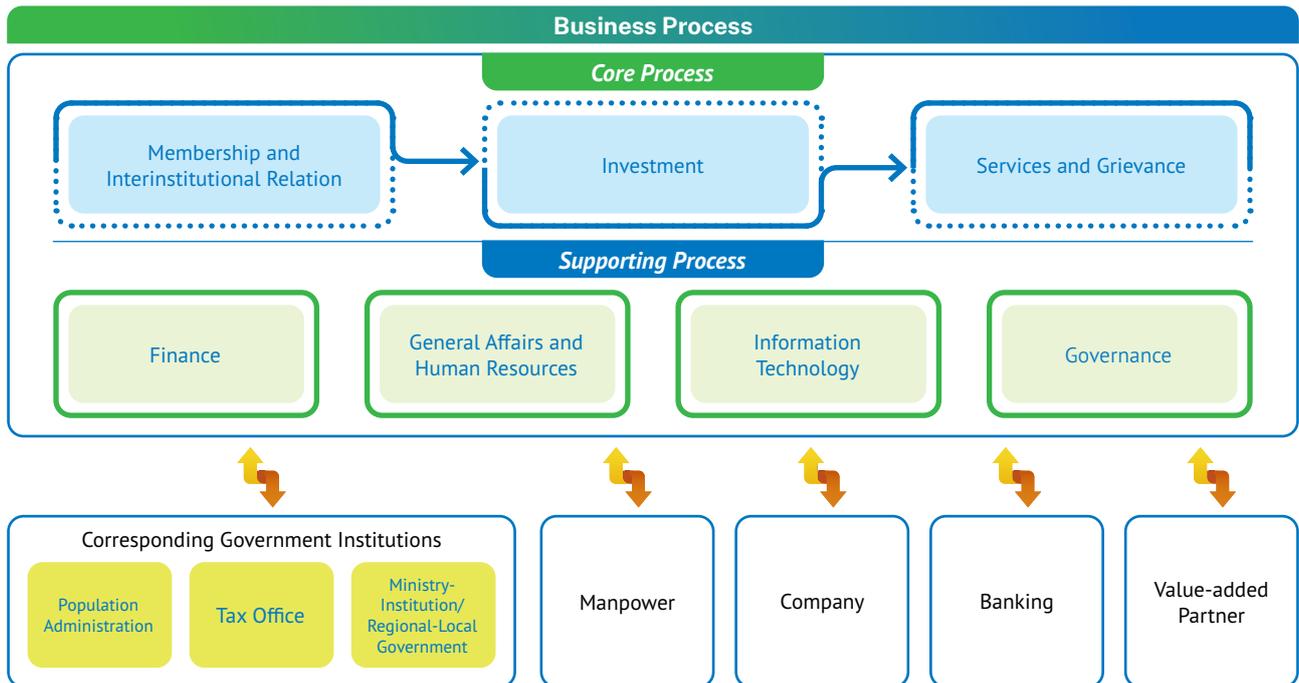
Approach:

- Publication of the performance and activities of the Agency

Business Process and Business Model of BPJAMSOSTEK [IR-6] [IR-4C, IR-4I]

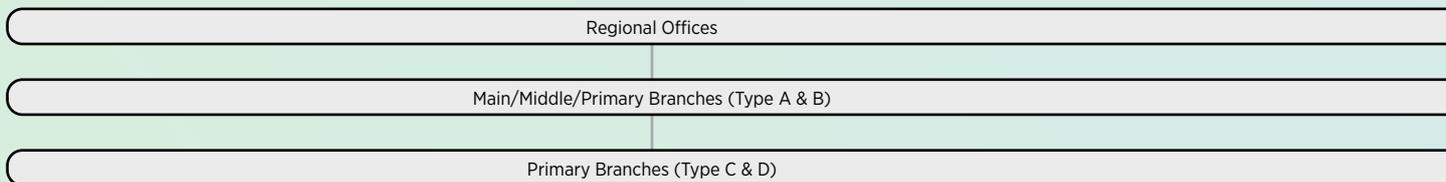
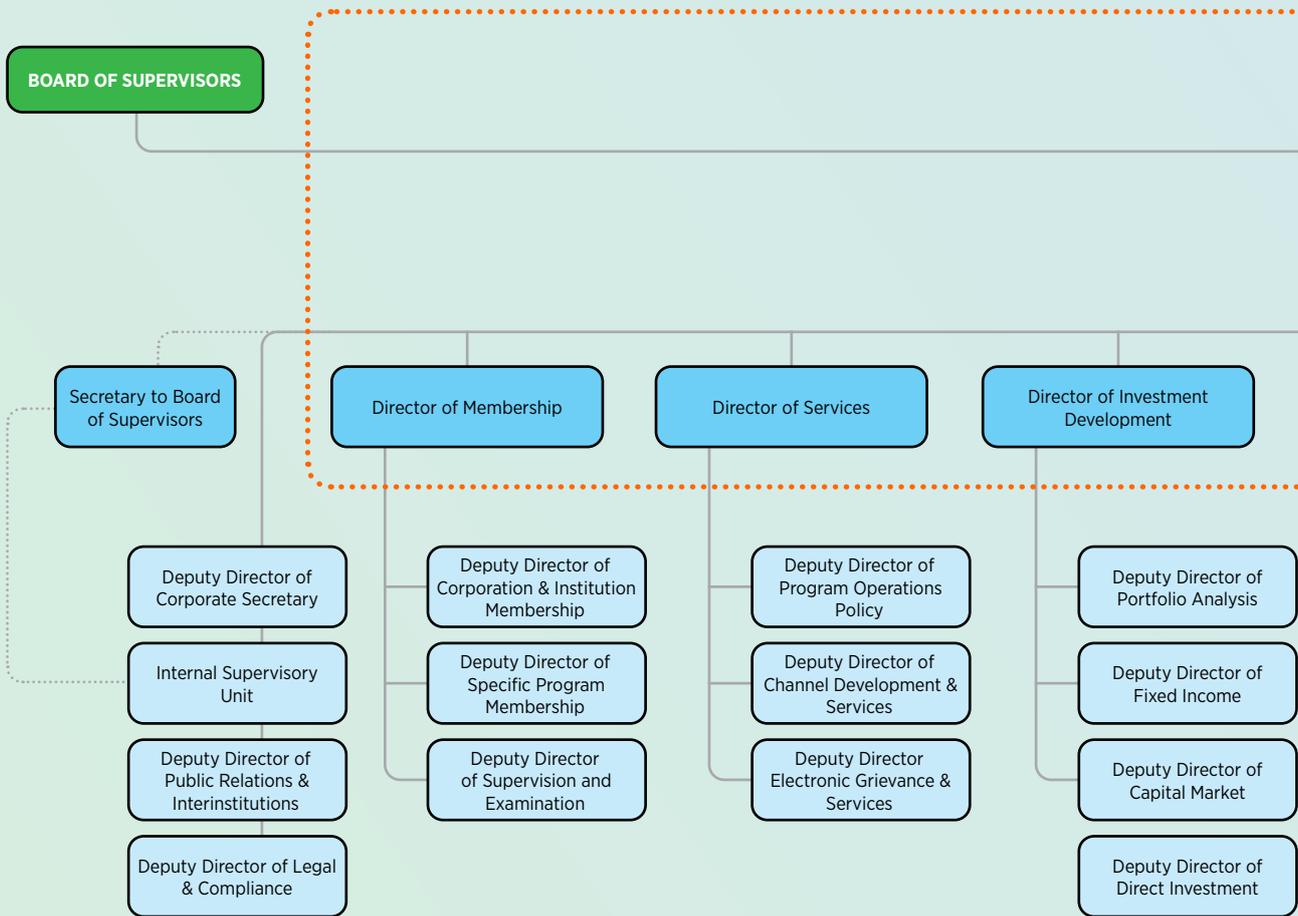
BPJAMSOSTEK runs business processes covering core and supporting business, as well as interaction with different parties. The core business process involves the membership management, inter-institutions relation, investment of managed fund, and services and grievance. The supporting process subsumes

financial management, human resources and general affair management, and organizational governance. The interaction with related parties includes the government institutions, manpower, companies, banks, and value-added partners.



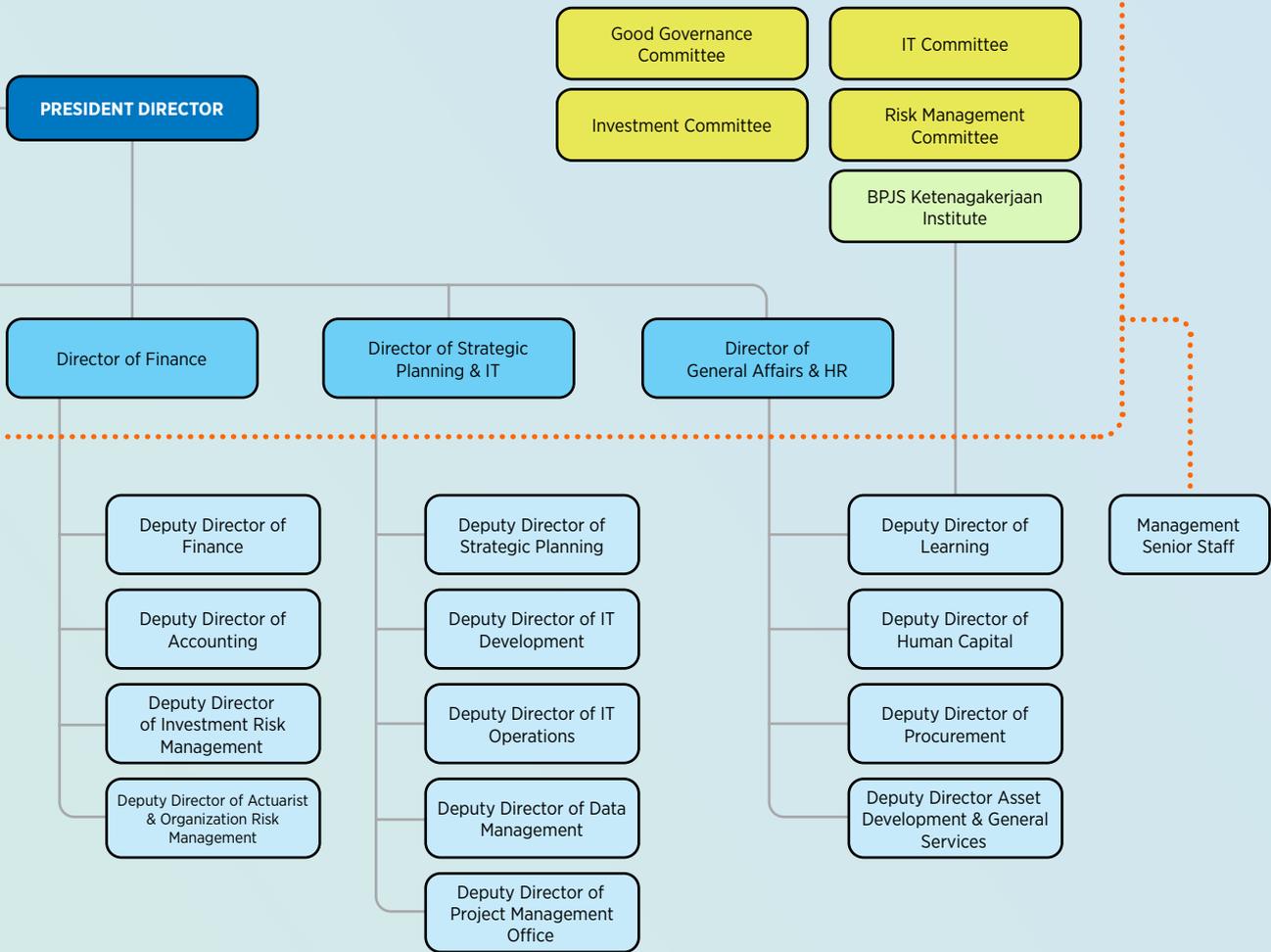
Organizational Structure of the Agency and Diversity of Agency Officials [IR-4B 4.9]

Headquarters



During 2020, there were no changes to the organizational structure

Headquarters



Regional Offices

Main/Middle/Primary Branches (Type A & B)

Primary Branches (Type C & D)

Diversity of Agency Officials [405-1]

In 2020, 709 male officials dominated the structural functions, and the number was equal to 69.78%. The largest age group consisting 806 officials or 79.33% to administer the structural functions were 31-50 years old. Most of those officials earn bachelor degree. Regardless of male domination in the structural functions, We are committed to increase female officials to administer the structural functions.

Gender

Age Group

Male		Female		<30		31-50		>51	
Total	%	Total	%	Total	%	Total	%	Total	%
709	69,78	307	30,22	2	0,20	806	79,33	208	20,47

Level of Education

High School or Equal		Diploma		Undergraduate		Postgraduate	
Total	%	Total	%	Total	%	Total	%
5	0,49	15	1,48	715	70,37	281	27,66



Composition of the Board of Supervisors

Under the President Regulation of the Republic of Indonesia Number 81 Year 2015, the structural composition of Board of Supervisors of BPJS Ketenagakerjaan consists of the government representatives, worker representatives, employer representatives, and public representatives. During the reporting period, five non-government representatives or 71.42% became the member of BoS. Their involvement in the structural composition guaranteed the independency and impartiality of BoS. Further explanation on BoS structural functions are accessible on the website. <https://www.bpjsketenagakerjaan.go.id/susunan-dewas.html>. [POJK51-3.f][102-22]

Composition of the Board of Supervisors (2016-2021)



Guntur Witjaksono, 61 years old.

Chairman of the Board of Supervisors
Government Element
Determined by Presidential Decree
No.25/P/2016 dated February 19, 2016



Puspita Wulandari, 56 years old.

Member of BoS
Government Element
Determined by on Presidential Decree
No.45/P/2019 on April 29, 2019



Eko Darwanto, 51 years old.

Member of BoS
Worker Element
Determined by Presidential Decree
No.25/P/2016 on February 19, 2016



Rekson Silaban, 54 years old.

Member of BoS
Worker Element
Determined by Presidential Decree
No.25/P/2016 on February 19, 2016



M. Aditya Warman, 48 years old.

Member of BoS
Employer Element
Determined by Presidential Decree
No.25/P/2016 on February 19, 2016



Inda D. Hasman, 60 years old.

Member of BoS
Employer Element
Determined by Presidential Decree
No.25/P/2016 on February 19, 2016



Poempida Hidayatulloh, 49 years old.

Member of BoS
Community Element
Determined by Presidential Decree
No.25/P/2016 on February 19, 2016

Composition of the Board of Supervisors (2021-2026)



Muhammad Zuhri, 55 years old.

Chairman of the Board of Supervisors
Government Element
Determined by Presidential Decree
(Keppres) No.38/P/2021.



Agung Nugroho, 46 years old.

Member of BoS
Worker Element
Determined by Presidential Decree
No.38/P/2021.



H. Yayat Syariful Hidayat, 43 years old.

Member of BoS
Worker Element
Determined by Presidential Decree
No.38/P/2021.



Kushari Suprianto, 54 years old.

Member of BoS
Government Element
Determined by Presidential Decree
No.38/P/2021.



M. Aditya Warman, 48 years old.

Member of BoS
Employer Element
Determined by Presidential Decree
No.38/P/2021.



M. Iman Nuril Hidayat Budi 55 years old.

Member of BoS
Community Element
Determined by Presidential Decree
No.38/P/2021.



Subchan Gatot, 49 years old.

Member of BoS
Employer Element
Determined by Presidential Decree
No.38/P/2021.

Composition of the Board of Directors

Until the end of reporting period, the structural composition of BoD reported no changes. Further explanation of the President Director and each of directors are accessible on <https://www.bpjsketenagakerjaan.go.id/susunan-direksi.html>.

Composition of the Board of Directors (2016-2021)



Agus Susanto, 58 years old.

President Director
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.



Naufal Mahfudz, 54 years old.

Director of General Affairs & HR
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.



Sumarjono, 53 years old.

Director of Strategic Planning and IT
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.



E. Ilyas Lubis, 61 years old.

Director of Membership
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.



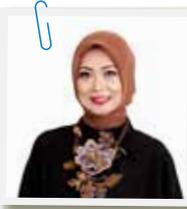
Krishna Syarif, 55 years old.

Director of Services
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.



Amran Nasution, 56 years old.

Director of Investment Development
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.



Evi Aviatin, 52 years old.

Director of Finance
Determined by Presidential Decree
No.25/P/2016 dated February 19,
2016.

Composition of the Board of Directors (2021-2026)



Anggoro Eko Cahyo, 52 years old.

President Director
Determined by Presidential Decree
No.38/P Tahun 2021.



Abdur Rahman Irsyadi, 50 years old.

Director of General Affairs & HR
Determined by Presidential Decree
No.38/P Tahun 2021.



Pramudya Iriawan Buntoro, 44 years old.

Director of Strategic Planning & IT
Determined by Presidential Decree
No.38/P Tahun 2021.



Zainudin, 48 years old.

Director of Membership
Determined by Presidential Decree
No.38/P Tahun 2021.



Roswita Nilakurnia, 55 years old.

Director of Services
Determined by Presidential Decree
No.38/P Tahun 2021.



Edwin Ridwan, CFA, FRM, 51 years old.

Director of Investment Development
Determined by Presidential Decree
No.38/P Tahun 2021.



Asep Rahmat Suwandha, 45 years old.

Director of Finance
Determined by Presidential Decree
No.38/P Tahun 2021.

Affiliation and Training for Board of Directors and Board of Directors (BoD)

It is mandatory that there should be no affiliation among the BoS, BoD, and Board of National Social Security Council (DJSN). Under the Government Regulation (PP) Number 88 Year of 2013 the BoS and BoD should not hold affiliate officials.

Total and Composition of Workers [POJK51-3.c.2]

In the reporting period, BPJS Ketenagakerjaan reported the total 6,405 employees. All of the employees were 100% full-time and permanent workers, and their employment were secured under the Employment Agreement, namely the Regulation of BoD of BPJS Ketenagakerjaan Number: PERDIR/19/082017 on the Workforce Employment of BPJS Ketenagakerjaan. Also, we hired part-timer workers such as PERISAI and freelancer. [102-8][102-41]

There were 3,595 male employees or 59.47% of the total employees, and there were 2,450 female employees or 40.53% of the total employees. Most of the employees or 13.96% worked in Jakarta, while the least proportion of employees or 4.60% of the total number respectively worked in Bali, Nusa Tenggara, and Papua. Based on the education level, 79.06% of the total employees earned their bachelor degree (S1), while based on the age category, 51.13% of the employees were those whose age ranged from 21 to 30 years old.

Number of Employees based on Gender [POJK51-3.c.2][102-8][405-1]

Gender	2020		2019		2018	
	Total	%	Total	%	Total	%
Male	3.595	59,47	3.691	59,51	3.526	59,19
Female	2.450	40,53	2.511	40,49	2.431	40,81
Total	6.045	100,00	6.202	100,00	5.957	100,00

Number and Percentage of Employees based on Placement [POJK51-3.c.2] [102-8]

Placement Area	2020		2019		2018	
	Total	%	Total	%	Total	%
Headquarters (Jakarta)	844	13,96	857	13,82	804	13,50
West Sumatra and Riau	408	6,75	611	9,85	410	6,88
Northern part of Sumatra	434	7,18	450	7,26	431	7,24
Southern part of Sumatra	349	5,77	359	5,79	345	5,79
Sulawesi and Maluku	411	6,80	426	6,87	402	6,75
Kalimantan	375	6,20	398	6,42	389	6,53
East Java	592	9,79	611	9,85	596	10,01
West Java	677	11,20	689	11,11	665	11,16
Central Java & Yogyakarta	573	9,48	568	9,16	532	8,93
DKI Jakarta	807	13,35	834	13,45	821	13,78
Bali, Nusa Tenggara, Papua	278	4,60	286	4,61	278	4,67
Banten	297	4,91	301	4,85	284	4,77
Total	6.045	100,00	6.202	100,00	5.957	100,00

Number of Employees based on Level of Education [POJK51-3.c.2][102-8]

Level of Education	2020		2019		2018	
	Total	%	Total	%	Total	%
Master Degree	609	10,07	649	10,46	454	7,62
Bachelor Degree	4.779	79,06	4.857	78,32	4.708	79,03
Diploma IV	26	0,43	20	0,32	26	0,44
Diploma III	506	8,37	530	8,56	614	10,31
Diploma II	0	0,00	0	0,00	0	0,00
Diploma I	4	0,07	6	0,10	5	0,08
High School and equivalent	112	1,85	130	2,12	139	2,33
Middle School and equivalent	9	0,15	10	0,12	11	0,18
Elementary School	0	0,00	0	0,00	0	0,00
Total	6.045	100,00	6.202	100,00	5.957	100,00

Number of Employees based on Age Group [POJK51-3.c.2][102-8][405-1]

Kelompok Usia	2020		2019		2018	
	Total	%	Total	%	Total	%
> 50 Years	424	7,01	464	7,48	341	5,72
41-50 Years	998	16,51	958	15,45	855	14,35
31-40 Years	1.532	25,34	1.304	21,03	1.176	19,74
21-30 Years	3.091	51,13	3.476	56,04	3.585	60,18
< 21 Years	0	0,00	0	0,00	0	0,00
Total	6.045	100,00	6.202	100,00	5.957	100,00

Number of Employees based on Position [POJK51-3.c.2][102-8] [405-1]

Tingkat Jabatan	2020		2019		2018	
	Total	%	Total	%	Total	%
Analyst	11	0,22	16	0,31	14	0,28
Middle Superintendent	4.052	81,37	4.238	82,39	4.134	83,92
Junior Superintendent	82	1,65	93	1,81	94	1,91
Senior Superintendent	188	3,78	191	3,71	151	3,07
Superintendent	618	12,41	573	11,14	496	10,07
Staff	29	0,58	33	0,64	37	0,75
Total	4.980	100,00	5.144	100,00	4.926	100,00

List of Subsidiaries and/or Associate Companies



Office Network

Headquarters [102-3][POJK51-2.3.b]

Gedung BPJS Ketenagakerjaan
 Jl. Gatot Subroto No.79 South Jakarta - 12930
 Phone: 021-520 7797 | Fax: 021-520 2310
 Web: www.bpjsketenagakerjaan.go.id.

The Agency has regional offices and branch offices throughout Indonesia. Information regarding the addresses of regional offices and branch offices can be accessed on the website: <https://www.bpjsketenagakerjaan.go.id/kontak.html>

Awards and External Initiatives [102-12]

Penghargaan Tahun 2020 [102-12]

No	Award Title	Date Received	Awarding Body
1	Asia Sustainability Reporting Awards (ASRA) Bronze Medal in the category of Best Sustainability Report for Public Sector	June 5, 2020	CSRWorks International
2	The Indonesia Human Capital Award (IHCA) VI in 2020 in the category of the Best Human Capital of the Year 2020 and the Best Human Capital Director of the Year 2020 (Naufal Mahfudz as Director of General Affairs and HR)	July 24, 2020	Majalah Economic Review
3	1st Winner of Indonesia Content Marketing Award (ICMA) in the category of the Best Content Implementation in Insurance	September 10, 2020	Indonesia Content Marketing Forum (ICMF)
4	Rank 3 Institution with the Best Gratification Control Unit in 2020. Institution with the most active anti-corruption instructor forum in 2020. The Most Active Integrity Builder of 2020.	December 9, 2020	Corruption Eradication Commission (KPK)
5	Asia Sustainability Report Rating (ASRRAT) 2020 Gold Rank	December 16, 2020	National Center for Sustainability Reporting (NCSR)

BPJS Ketenagakerjaan supports a number of external initiatives related to the sustainability practices. One of the external initiatives is green building certification for Plaza BP Jamsostek. The certification is given by the Green Building Council Indonesia in March 2020. Also, the Agency supports Sustainable Development Goals (SDGs) established by the Indonesian Government, citing the Proportion of Members of Social Security Programs as one of the achievement indicators in 2030. [102-12]

Insurance for Workers, Contribution to Indonesia, Six Capital for Value Creation



In 2020 amid the pandemic, BPJS Ketenagakerjaan achieved sound performance of membership, investment, and services. The sound performance was attributable to the credible management of existing capital and resources, as well as accountable practices of good governance, thereby creating sustainable values and benefits. These values and benefits contributed to worker families and national economic recovery from the COVID-19 wreaking havoc.

► Review of External Factors [IR-4A 4.6]

The COVID-19 pandemic to wreak havoc on the national economy was one of external factors significantly affecting the 2020 performance. Statistics Indonesia (BPS) mentioned COVID-19 left across business sectors dysfunction and contracted the economy by 2.07 percent yoy.

The decelerated national economy cut workforces as BPS disclosed per February 2021, the workforces consisted of 131.06 million workers and left 8.75 million people unemployed. Compared February 2020 workforce landscape, pre COVID-19 shock, Indonesia reported the decrease in the workforce number by 0.41

million people. Meanwhile, there were the decrease of 2.23 million workers available in the workforces, while the unemployed soared by 1.82 million people.

Despite the massive lay-off, the government's easing measures for economic recovery aveliated the number of unemployed. Referring to the data of BPS, compared to the workforce circumstance in August 2020 when easing measures were rolled out to recover the national economy, the workforce in February 2021 increased by 1.59 million workers. The employed surged by 2.61 million workers, conversely the unemployed decreased by 1.02 million people.

Amendments to Policies and Laws [IR-4F 4.33]

In the reporting period, the Agency faced another external challenge of the government policy. In the mid of August 2020, the Minister of Man Power of the Republic of Indonesia issued the Regulation (Permenaker) Number 14 Year of 2020 on the Guidelines on COVID-19 Easing Measures of Subidized Wages for Labors. Under the regulation, the subsidized wages were given to Indonesian who were the active members of social security and insurance provided by BPJS Ketenagakerjaan.

In the end of August 2020, the Government enacted the Laws (UU) Number 49 Year of 2020 on the Adjustment to Relaxed Social Security and Insurance Contributions paid by Employers, Wage-Recipient Workers, and Non-Wage Recipient Workers during the COVID-19 pandemic. Pursuant to the Laws, BPJS Ketenagakerjaan relaxed two contributions (i.e., Employment Injury Security (JKK), Death Security (JKM)) respectively by 99%, and postponed the payment on Pension Security (JP) up to 99%.

► Review of Operational Activities

In compliance with the 2017-2021, the Agency set Excellent Performance as its strategy. Due to the last-longer pandemic in 2020, the Agency revised the 2017-2021 Strategic Plans, and the revision complied with the Decree of BoS Number:KEP/30/DEWAS/09/2017. One of the revisions was the change of 2020 Annual Work and Budget Plan (RKAT) theme from Prominent Performance into Accelerating Digital Transformation. The changing strategy was strategic backstop to deal with challenges and opportunities amid the pandemic.

In the reporting period, the Government through the Presidential Decree (KEPPRES) Number 98/P/2020 established committee to selecting prospective Board of Supervisors (BoS) and Board of Directors (BoD) of BPJAMSOSTEK. The policy was underlined by the end of the structural functions of BoS and BoD on February 19, 2021 pursuant to KEPPRES Number 25/P Year of 2016. On February 22, 2021, under KEPPRES Number 38 Year of 2021 the President of the Republic of Indonesia inaugurated the BoS and BoD of BPJS Ketenagakerjaan for the 2021-2026 adminsitration. The structural composition of new BoS and BoD was disclosed in the Good Governance on page 123.

► **Review of Six Capital in the Process of BPJS Ketenagakerjaan Value Creation** [IR-4E 4.28][IR-6A]



Financial Capital

The Agency managed Social Security Fund (DJS) or a trust fund—in form of collected contributions and their investment returns. DJS is used to pay benefits to members and finance the operational of social security programs. In 2020, the Agency received membership contributions of IDR73,263.77 billion.

In the end or reporting period, the managed fund amounted to

IDR487,058.87 billion

The investment returns of the 2020 managed fund amounted

IDR32.33 billion

The 2020 payment on benefits amounted to

IDR36,445.47 billion

and the Old-Age-Security (JHT) accounted the largest paid benefits.



Human Capital

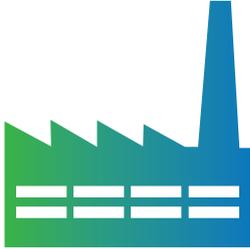
Dedicated, competent, and principled human resources and leadership are strong footing for the excellent performance. The human-resource management upholds professionalism from the recruitment, training, development, to management.

► *The Agency is projected to be the model of the best human capital management and high tech human capital practices.*

► The Agency is projected to be the center of training in social-security competence.

► During the reporting period, the Agency was supported by 6,045 employees.

► The Agency has learning center facilities for managing human resources and human-resource development programs.



Manufactured Capital

The Agency's operational activities to expand the number of social-security membership were supported by official branches across regions in Indonesia and PERISAI.

In 2020, the Agency has 

1

headquarters

11

regional offices

325

branches

4.694

PERISAI agents

523.540

new membership

IDR**205** billion

total membership contributions



Natural Capital

The Agency's operational activities were supported by the efficient energy management and minimize waste. Each of operational offices was powered by electricity supply, while operational vehicles used gasoline.

9,300
GigaJoule

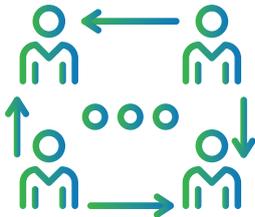
the headquarter consumed energy in 2020

In the early of 2021, the Agency operated BP Jamsostek Plaza with "Gold" green building certified by Global Building Council Indonesia (GBCI).



Intellectual Capital

The Agency developed its IT-based operational activities to achieve excellent performance by data validation, reliability of information technology, timely information delivery. Advance IT development should boost public confidence in the Agency's credible performance and accelerate good decision making. Until the end of 2020, BPJS Ketenagakerjaan strived to increase the number of its software and hardware assets.



Social Capital

The Country's rapid workforce growth is the target of membership acquisition so that the Agency can provide equally equitable insurance and social security for all workers. To boost the number of membership acquisition, the Agency actively builds inter-institution cooperation through Paritrana Awards and maintains cooperation with across-sector businesses through GN Lingkaran.

- In February 2021, Indonesia's recorded 139.81 million workers or an increase of 1.59 workers compared to the number of workers in August 2020. (Source: Data of Statistics Indonesia in 2021).
- The 2020 Paritrana Award was participated by 492 participants coming from regional institutions, business sectors, and small and medium enterprises (UKM).
- In 2020, 17 companies participated in GN Lingkaran and granted membership contributions to 155,396 workers.

► Review of Financial Capital in the Process of BPJS Ketenagakerjaan Value Creation [POJK51-2.a]

The chapter reviewed the Agency's performance of collecting membership contribution, managing Social Security Fund (DJS), and paying program benefits to members. The stable membership contributions and investment returns of managed funds should maintain the Agency's sustainable business.

Target and and Realization of Membership Contributions

[IR-4F 4.31][IR-4F 4.32][POJK51-6.b.1]

In accordance with the Laws Number 24 Year of 2011 on the Social Security Agency, the membership contributions are paid by members, employers, and/or the government.

Monthly Contribution Based on Programs

Program	Contribution	Explanation
Old-Age Security (JHT)	5,7% of the monthly wage	2% paid by worker
		3.7% paid by employer
Employment Injury Security (JKK)	For a very low risk level, 0.24% of the monthly wage	Paid by employer
	For a low risk level, 0.54% of the monthly wage	
	For a medium risk level, 0.89% of the monthly wage	
	For a high risk level, 1.27% of the monthly wage	
	For a high risk level, 1.27% of the monthly wage	
Pension Security (JP)	3% of the monthly wage	1% paid by worker
		2% paid by employer
Death Security (JKM)	Wage Recipients: 0.3% of the monthly wage	Paid by employer
	Non-Wage Recipients: IDR6,800	Paid by member (individual)

Membership Contribution Based on Program and Segmentation

Program	Segmentation			
	Wage Recipients*	Non Wage Recipients*	Construction Services**	Indonesia Migrant Workers
JKK Program	0,24-1,74%	1%	0,21%	Rp370.000
JKM Program	0,30%	Rp6.800	0,21%	-
JHT Program	2% paid by worker	2%	-	Rp105.000 – Rp600.000
	3.7% paid by employer			
JP Program	1% paid by worker	-	-	-
	2% paid by employer			

Note: * From reported wage ** Based on project value

The Agency recorded the 2020 membership contribution of IDR73,263.77 billion or 121.10% of the target. The amount decreased by 0.22% from IDR73,427.49 billion in 2019. In the reporting period, the realization of membership contributions were affected by the implementation of the Government Regulation (PP)

Number 49 Years of 2020 on Relaxed Contribution of Social Security and Insurance Programs during the COVID-19 pandemic. In accordance with the regulation, the Agency relaxed membership contributions paid by Employment Injury Security (JKK) and Death Security (JKM).

Target and Realization of Collected Membership Contribution Based on Program (2020)

Program	Realization (2019)	2020		% 2019-2020 Growth	
		Target	Realization		Percentage
JKK Program	5.926.428	2.834.453	3.790.755	5,17	(36,04)
JKM Program	2.814.030	1.363.600	1.824.749	2,49	(35,16)
JHT Program	47.438.165	46.745.774	49.368.693	67,38	4,07
JP Program	17.248.873	9.556.574	18.279.571	24,95	5,98
Total	73.427.496	60.500.401	73.263.768	100,00	(0,22)

Note: in IDR million, except for %

Target and Realizaion of Collected Contribution Based on Region (2020)

Region	Realization (2019)	2020		% 2019-2020 Growth	
		Target	Realization		Percentage
Northern part of Sumatra	2.326.776	1.970.661	2.404.502	3,28	3,23
Southern part of Sumatra	2.190.402	1.800.201	2.182.695	2,98	(0,35)
DKI Jakarta	30.273.774	24.660.996	30.055.044	41,02	(0,73)
West Java	10.983.564	8.909.934	10.729.729	14,65	(2,37)
Central Java, DI Yogyakarta	4.182.973	3.559.366	4.397.180	6,00	4,87
East Java	6.142.324	5.065.778	6.203.076	8,47	0,98
Kalimantan	4.421.051	3.687.744	4.469.197	6,10	1,08
Sulawesi, Maluku	1.706.537	1.464.994	1.805.957	2,47	5,51
West Sumatra, Riau	3.390.571	2.817.156	3.461.521	4,72	2,05
Banten	5.683.700	4.918.334	5.603.240	7,65	(1,44)
Bali, Nusa Tenggara, Papua	2.125.825	1.645.237	1.951.625	2,66	(8,93)
Total	73.427.496	60.500.401	73.263.767	100,00	(0,22)

Note: in IDR million, except for %

In 2020, the PU workers accounted for the largest membership contribution by 99.34% equal to IDR72,782.30 million or 121.07% of the target. Meanwhile, based on the area, DKI Jakarta recorded the largest recipient of membership contribution.

Collected Membership Contribution from Workers (2020)

Segment	Realization	2020			% 2019-2020 Growth
		Target	Realization	Percentage	
Wage Recipients	72.780.801	60.116.996	72.782.301	99,34	0,002
Construction Workers	347.171	176.555	212.295	0,29	(38,85)
Sub Total	73.127.972	60.293.551	72.994.597	99,63	(0,18)
Non Wage Recipients	299.524	206.850	269.171	0,37	(10,13)
Total	73.427.496	60.500.401	73.263.767	100,00	(0,22)

Note: in IDR million, except for %

Collected Membership Contribution Paid by Workers Based on Region (2020)

Region	Wage Recipient	Non Wage Recipient	Construction Worker	Total	Percentage
Northern part of Sumatra	2.374.358	13.764	16.380	2.404.502	3,28
Southern part of Sumatra	2.141.601	14.654	26.441	2.182.695	2,98
DKI Jakarta	29.976.012	49.927	29.106	30.055.044	41,02
West Java	10.674.134	32.137	23.458	10.729.729	14,65
Central Java, DI Yogyakarta	4.357.889	22.652	16.639	4.397.180	6,00
East Java	6.147.922	32.499	22.655	6.203.076	8,47
Kalimantan	4.431.744	18.033	19.420	4.469.197	6,10
Sulawesi, Maluku	1.770.011	19.997	15.949	1.805.957	2,47
West Sumatra, Riau	3.427.197	17.953	16.371	3.461.521	4,72
Banten	5.572.367	22.042	8.832	5.603.240	7,65
Bali, Nusa Tenggara, Papua	1.909.067	25.513	17.046	1.951.625	2,66
Total	72.782.301	269.171	212.295	73.263.767	100,00

Note: in IDR million, except for %

In the reporting period, the Agency's efforts to maximize the paid membership contributions were hampered by the COVID-19 pandemic to wreak the national economy. Pursuant to President Regulation (PP) Number 49 Year 2020, the Agency relaxed the payment on membership contribution from August 2020 to January 2021. The relaxed measures covered as following:

1. Due date for the payments on monthly contributions of JKK, JKM, JHT, and JP Programs was prolonged from 15th day to 30th day in each month.
2. JKK and JKM contributions were cut by 99 percent of the monthly paid contributions.
3. Some of payments on JP contributions were cut by 99 percent of the monthly paid contributions.

Challenges and Solution Related to Membership Contribution

Challenges	Solutions
There are employers / business entities with the category of Partial Listed Company (PDS). In 2020 there were 3,215 employers/business entities with PDS category. PDS category covers any employer / business entity that does not register all its workers, does not report actual wages, and does not participate in the mandatory protection program.	Improve the Compliance of Employers/Business Entities by conducting collaboration of law enforcement with relevant institutions and the Supervision and Examination Officers.
There are employers / business entities that have not paid contributions on time. Throughout 2020 there were 152,332 employers / business entities or 22.28% of total employers / business entities participating in BPJS Ketenagakerjaan who had not paid their contributions on time.	Raise the awareness of employers/business entities to pay their contributions in a timely manner through empathy call and social media campaign as reminder.
Membership contribution payment must be easy to access.	The Agency provides several payment channels, <ol style="list-style-type: none"> 1. Electronic Payment System (EPS) i.e. membership contribution payment in a host to host link between the Agency and banks 2. Mobile banking, internet banking, ATM, and branches 3. Modern retailer 4. PERISAI agents



Management of Social Security Fund

The management of Social Security Fund (DJS) complies with the Laws Number 24 Year of 2011 and the BoD Regulation Number PERDIR/23/092019 on Guidelines on Investment Management. DJS is managed by means of investment instruments with taking cautious account on liquidity, solvency, prudence, fund safety, and maximum returns. DJS is trust fund owned by the members of BPJS Ketenagakerjaan and in form of collected contributions and their investment returns. The fund is used to pay benefits to members and finance the operational of social security programs.

BPJS Ketenagakerjaan applies mechanism of Strategic Asset Allocation (Strategi Alokasi Aset, "SAA") to manage DJS. The mechanism takes into account external and internal factors. The external factors are economic, market, and industrial backdrop of each of investment assets and sectors, while internal factors cover strategic plans, contribution projection and security payment, and set targets as well. The allocation for investment instruments is in compliance with strategies for managing portfolios of each investment instrument.

Strategic Asset Allocation

Deposit Portfolio Strategies	Placement selection to the banks offering interest rate at certain minimum rate with placement space, having sound performance, and supporting BPJS Ketenagakerjaan programs.
Stock Portfolio Strategies	The management will capitalize on the best market momentum and time and, supported with intensive monitoring to domestic political development, tax revenue of the government, capital expenditure for infrastructure projects and volatility of composite index. Stock horizon will be reviewed on periodical basis for stock preference diversities pursuant to the applicable regulations.
Security Portfolio Strategies	<p>The management will consider regulations issued by Financial Service Authority, optimum returns, asset and liability management (ALMA), and targets of Government Bonds set by the Government.</p> <p>Optimize short-term trading activities, especially benchmark series bonds while taking momentum, market time, transaction liquidity, and foreign investment inflow movement that have influence over the market of domestic bonds into account.</p>
Mutual Fund Portfolio Strategies	The management will consider limited portfolio (stocks, corporate securities, regional bonds, repurchase agreement, and asset-backed securities) with certain limitation from the net assets of each DJS. The management also takes momentum, the best market time, risk factors, composite index movement, and Mutual Fund and Investment Manager score into account.
Direct Investment Portfolio Strategies	BPJS Ketenagakerjaan has already put the relevant policies in place for the subsidiaries including PT Sinergi Investasi Properti, development plan for PT Nayaka Era Husada and PT Bina Jasa Abadi Karya.
Property Investment Portfolio Strategies	The management strategies include improved management performance of Jamsostek Tower, optimizing Graha Nagoya Mas Batam, and lands in several regions in Indonesia.

The audited Financial Statements and Program Management Statement (LK-LPP) reported DJS assets—JKK, JKM, JHT, and JP—grew by 13% in the 2020. The growth proved the Agency’s excellent performance of managing DJS fund despite the surge of 22% in JHT claims triggered by the COVID-19 pandemic and the relaxed membership contributions.

The 2020 invested DJS fund grew by 13.16% yoy higher than the 2019 of IDR431.98 trillion with the investment returns of IDR32.33 billion or growing by 11.42% yoy. The Agency’s other assets amounted to IDR15.8 trillion added the total managed assets of IDR487.05 trillion.

In 2020, the BPJS Ketenagakerjaan funds amounted to IDR10.96 trillion, declining by 1.66% yoy from IDR11.86 trillion in 2019. The decline was attributable to the exposure to the mark-to-market stocks and mutual funds.

The 2020 investment returns of the funds reached IDR824.80 billion, decreasing by 5.87% yoy from IDR876.22 billion in 2019. The decrease was attributable to the lower interest rates of bonds and the lower reference rate of BI7DRR. The yields of 10-year tenor in 2020 and 2019 was at 5.00% and 3.75%, respectively. Besides, the COVID-19 leaving the economy dysfunction contracted the capital market, thereby resulting in minimum returns.

Funds Managed and Invested by BPJS Ketenagakerjaan (IDR billion)

Details	2020		2019	% Growth
	Total	Percentage		
BPJS Ketenagakerjaan Fund	11.666,95	2,25	11.863,46	(1,66)
Social Security Fund	475.391,91	97,75	420.123,58	13,16
Total	487.058,86	100,00	431.987,04	12,75

Social Security Fund (DJS) Managed and Invested by BPJS Ketenagakerjaan Based on Program (IDR billion)

Details	2020		2019	% Growth
	Total	Percentage		
JHT Program	340.751,09	70,06	312.561,77	9,02
JKK Program	40.550,54	8,34	35.598,73	13,91
JKM Program	14.653,16	3,01	13.046,73	12,31
JP Program	79.437,13	16,33	58.916,35	34,83
Total DJS	475.391,91	97,75	420.123,58	13,16
Total	487.058,86	100,00	431.987,04	12,75

The Old-Age Security (JHT) Program contributed the largest investment returns by 71.02%. Meanwhile, based on the investment portfolios, bonds contributed the largest investment returns of IDR24,117.59 billion or equal to 74.68% of the total investment returns.

Investment Return Realization (IDR billion) Based on Source of Fund

Source of Fund	2020		2019	% Growth
	Total	Percentage		
BPJS Ketenagakerjaan Fund	824,80	2,44	876,22	(5,87)
Social Security Fund	31.505,81	97,56	28.276,65	11,42
Total	32.330,62	100,00	29.152,87	10,90

Investment Return Realization (IDR billion) Based on Program

Program	2020		2019	% Growth
	Total	Percentage		
JHT Program	22.957,83	71,09	21.212,34	8,23
JKK Program	2.940,57	9,11	2.673,92	9,97
JKM Program	1.102,00	3,41	1.016,55	8,41
JP Program	4.505,41	13,95	3.373,84	33,54
Total DJS	31.505,81	97,56	28.276,65	11,42
BPJS Ketenagakerjaan	824,80	2,54	876,21	(5,87)
Total	32.330,62	100,00	29.152,87	10,90

Investment Return Target and Realization (IDR billion) Based on Investment Portfolio

Investment Portfolio	Realization		Target	
	Total	Percentage	Total	Percentage
Deposit	3.516,37	10,89	3.766,57	10,70
Stocks	3.855,27	11,94	5.161,67	14,66
Securities (Bonds)	24.117,59	74,68	25.011,56	71,04
Mutual Funds	672,05	2,08	1.050,08	2,98
Direct Investment	5,25	0,02	8,24	0,02
Properties	127,46	0,39	210,88	0,60
Total	32.330,62	100,00	35.209,00	100,00



In general, the 2020 DJS investment returns were higher than the average interest counter rate of one-year term deposit. The Agency set the minimum investment returns for JHT at the level of 5.59% higher by 1.91% than the 2020 counter rate deposit of 3.68%.

The investment management of the funds considers the maximum returns, measured risks, and good governance. The management of deposit investment of JKK and JKM Programs maintains liquidity pursuant to the Government Regulation No.99 Year of 2013. Meanwhile, the long-term Programs of JHT and JT place deposit investment as the instrument to ensure the available liquidity of claim payment paid by the members.

In term of Bank preference --Regional Development Banks (BPD) or Private Banks --quantitative and qualitative fundamental analysis is performed. To gain maximum returns with respect to the sufficient liquidity, the deposit investment is subject to continuous reduction, particularly for JHT and JP Programs.

Stocks are long-term instruments with the returns in forms of dividends and capital gains, and the stock placement considers the fundamental performance of each of issuers --large-cap stocks and strong liquidity. As of December 31, 2019 to the foreseeable future, the allocation for stock investment declines due to the dysfunctional economy hit by the COVID-19.

Interest Rate for Assets Under Management in 2020 and Comparison to Interest Rate of Deposits in Government Banks

No	Description	Investment Return Rate	Deposit Interest Rate	Difference
I	BPJS Ketenagakerjaan Fund	7,54%	3,68%	3,86%
II	Social Security Fund (DJS)			
	JHT Program	7,39%	3,68%	3,71%
	JKK Program	7,85%	3,68%	4,17%
	JKM Program	7,99%	3,68%	4,31%
	JP Program	6,93%	3,68%	3,25%



During the reporting period, the Agency reviewed investments on stocks and mutual funds in accordance with the President Regulation (PP) Number 99 Year of 2013 and the President Regulation (PP) Number 55 Year of 2015. Until the end of reporting period, the Agency invested 25% of the total managed funds on securities and mutual funds with the details: 64% on bonds, 17% on securities, 10% on deposits, 8% on mutual funds, and 1% on direct investments.

The investment in stocks and mutual fund is relatively riskier than the investment in deposit and bonds. Also, avoid investment in stocks and mutual funds hinder the investment risk of losing the chance of growing along with the global and regional economic growth.

The Agency invests the funds in stocks and mutual funds with the maximum return potential as it collects LQ45 stocks by 98% of its investment funds. Of note,

LQ45 stocks have large capitalization, and strong liquidity and fundamental. Another to collecting LQ45 stocks, their derivative stocks as many as 2% are also collected by the Agency. Of note, the derivative stocks are issued by companies listed in LQ45 index, but such stocks temporarily are no longer eligible for being listed in LQ45 index. The Agency measures its stock investment by applying risk management and dynamic asset-rebalancing strategies.

The investment in stocks and mutual funds are inevitably exposed to the market value-loss risks -- realized loss or unrealized loss. Whether or not the market value-loss risk will be the economic loss is dependable on the circumstances when asset sale takes place. If other stocks experience value loss and are sold at loss, then the investment is exposed to the realized loss. Conversely, the investment is experienced only unrealized loss, if the stocks are not sold.

Unrealized Loss and Market Risks

Investment loss is one of the market risks faced by investors. However, the unrealized loss is fiscal-year loss not factual loss. Therefore, lawsuit against investment loss should be accompanied by causes of the loss as the legal evidence and comply with capital market laws.

(Indra Safitri, Legal Observer of Capital Market)

Committent to Green Investment

The Agency was committed to national economic growth and environmental sustainability. One of investments was the establishment and management of Plaza BP Jamsostek launched on January 08, 2021. Located in 5,391 square meter of land in Kuningan, South Jakarta, Plaza BP Jamsostek obtained “Gold” green-building certification by Global Building Council Indonesia (GBCI) on March 13, 2020.

In future years, the Agency opened investment options through Indonesia Investment Authority (LPI), sovereign wealth fund (SWF) Indonesia. Pursuant to LPI’s 3-5 years ahead roadmap, investment will be centered on such infrastructure assets as toll roads, airports, and ports.

Benefit Payment

The Agency pays benefits to the members under the Laws Number 24 Year of 2011. The members and/or their families are entitled for the paid benefits of social security insurance. The paid benefits are pursuant to the provided social insurance programs (i.e., JKK, JHT, JKM, and JP).



Jaminan Hari Tua

Old-Age Security (JHT)

Benefit: Cash money.

Given as lump sum payment when the participant reaches age of 56 years old, dies, or suffers total permanent disability



Jaminan Pensiun

Pension Security (JP)

Benefit: Defined benefit.

Given to participant entering retirement age, not working due to resignation, employment termination, and no longer actively working, or leaving the territories of Indonesia.



Jaminan Kecelakaan Kerja

Employment Injury Security (JKK)

Benefit: Medical treatment

Benefit: Compensation

Paid during not working subject to provisions below: The first six months 100%, the second six months 75%, and subsequent months 50% until recovered.

Benefit: Ortheses and/or Protheses.

Given to the participant who losses his/her limb or who suffers dysfunctional limb due to work-related accident.

Benefit: Scholarship.

Given to the child of participant who dies or suffers total permanent disability due to work-related accident.

Advocacy during treatment until the participant ready to work again. Additional service benefits: Return to Work (RTW) Program.

Benefit: Compensation for the death due to work-related accident.

Given in amount of 48 times of wage according to the wage reported by Employer or participant.



Jaminan Kematian

Death Security (JKM)

Benefit: Cash donation for funeral

Benefit: Compensation.

Given to the beneficiaries for 24 months.

Benefit: Scholarship.

Given to the beneficiaries of participant with contribution period minimum five years.

The programs of social security benefits positively impact on the life of Indonesian workers, and one of the positive impacts is insurance against the COVID-19 ruin. Amid the COVID-19 pandemic, the 2020 paid benefits and claims were larger than the 2019 paid benefits and claims. The 2020 paid benefits reached IDR36,445 billion for 2,904,593 thousand claims. The largest number of laid-off members amid the COVID-19 pandemic escalated the total JHT claims, and therefore the Program recorded the largest paid benefits. [POJK51-6.c.3.a][POJK51-6.F.3]

Benefit Payment of Employment Social Security Program

Program	2020				2019	
	Benefit Value		Claim		Benefit Value (IDR Billion)	Total Claim (Thousand)
	IDR billion	%	Total (Thousand)	%		
JHT	33.101,92	90,83	2.552.942	88,89	27.080,77	2.216
JKK	1.556,94	4,27	221.740	7,63	1.576,69	182
JP	1.346,73	3,70	97.817	1,10	196,22	39
JKM	439,87	1,21	32.094	3,37	862,73	31
Total	36.445,47	100,00	2.904.593	100,00	29.716,41	2.468

Claim Ratio of Employment Social Security Based on Program (2020)

Program	Collected Contribution (IDR billion)	Paid Benefit (IDR billion)	Claim Ratio (%)
JHT	49.368	33.101	67,05
JKK	3.790	1.556	41,07
JP	1.824	1.346	73,80
JKM	18.279	439	2,41



Number of Claims and Total Paid Benefit by Region (2020)

Regional Office	Benefit Value		Number of Claims	
	IDR billion	%	Claim	%
Northern part of Sumatra	2.092,63	6	189.233	6,51
Southern part of Sumatra	1.810,93	5	177.934	6,13
DKI Jakarta	8.097,09	22	337.586	11,62
West Java	6.244,34	17	543.109	18,70
Central Java, DI Yogyakarta	3.200,35	9	376.179	12,95
East Java	4.225,93	12	360.441	12,41
Kalimantan	2.125,16	6	196.124	6,75
Sulawesi, Maluku	1.399,41	4	134.705	4,64
West Sumatra, Riau	2.281,59	6	212.374	7,31
Banten	3.070,83	8	208.516	7,18
Bali, Nusa Tenggara, Papua	1.897,24	5	168.392	5,80
Total	36.445,50	100	2.904.593	100,00

Based on program portfolios and regions, the largest paid benefits spent consecutively on JHT, JKK, JP, and JKM in Jakarta.



Number of Claims and Total Paid Benefit of JHT Program by Region (2020)

Regional Office	Benefit Value		Number of Claims	
	IDR billion	%	Claim	%
Northern part of Sumatra	1.856,88	6	160.498	6,29
Southern part of Sumatra	1.663,03	5	160.367	6,28
DKI Jakarta	7.387,05	22	308.266	12,07
West Java	5.768,28	17	478.891	18,76
Central Java, DI Yogyakarta	2.908,55	9	331.572	12,99
East Java	3.779,29	11	306.495	12,01
Kalimantan	1.910,95	6	173.639	6,80
Sulawesi, Maluku	1.238,36	4	125.360	4,91
West Sumatra, Riau	2.010,76	6	169.568	6,64
Banten	2.793,76	8	178.860	7,01
Bali, Nusa Tenggara, Papua	1.785,02	5	159.426	6,24
Total	33.101,93	100,00	2.552.942	100,00

Number of Claims and Total Paid Benefit of JKK Program by Region (2020)

Regional Office	Benefit Value		Number of Claims	
	IDR billion	%	Claim	%
Northern part of Sumatra	90,12	6	17.564	7,92
Southern part of Sumatra	63,16	4	10.070	4,54
DKI Jakarta	361,37	23	11.992	5,41
West Java	222,25	14	42.459	19,15
Central Java, DI Yogyakarta	109,93	7	28.603	12,90
East Java	207,81	13	34.937	15,76
Kalimantan	95,32	6	13.761	6,21
Sulawesi, Maluku	44,44	3	3.287	1,48
West Sumatra, Riau	166,91	11	34.441	15,53
Banten	154,25	10	20.154	9,09
Bali, Nusa Tenggara, Papua	41,39	3	4.472	2,02
Total	1.556,95	100,00	221.740	100,00

Number of Claims and Total Paid Benefit of JP Program by Region (2020)

Regional Office	Benefit Value		Number of Claims	
	IDR billion	%	Claim	%
Northern part of Sumatra	31,12	7	8.136	8,32
Southern part of Sumatra	24,19	5	5.836	5,97
DKI Jakarta	72,01	16	13.361	13,66
West Java	77,89	18	16.804	17,18
Central Java, DI Yogyakarta	47,33	11	12.122	12,39
East Java	64,61	15	14.453	14,78
Kalimantan	25,02	6	6.409	6,55
Sulawesi, Maluku	15,95	4	3.657	3,74
West Sumatra, Riau	29,8	7	6.520	6,67
Banten	37,63	9	7.415	7,58
Bali, Nusa Tenggara, Papua	14,32	3	3.104	3,17
Total	439,87	100,00	97.817	100,00

Number of Claims and Total Paid Benefit of JKM Program by Region (2020)

Regional Office	Benefit Value		Number of Claims	
	IDR billion	%	Claim	%
Northern part of Sumatra	114,51	9	3.035	9,46
Southern part of Sumatra	60,55	4	1.661	5,18
DKI Jakarta	276,66	21	3.967	12,36
West Java	175,92	13	4.955	15,44
Central Java, DI Yogyakarta	134,54	10	3.882	12,10
East Java	174,22	13	4.556	14,20
Kalimantan	93,86	7	2.315	7,21
Sulawesi, Maluku	100,66	7	2.401	7,48
West Sumatra, Riau	74,12	6	1.845	5,75
Banten	85,19	6	2.087	6,50
Bali, Nusa Tenggara, Papua	56,51	4	1.390	4,33
Total	1.346,74	100,00	32.094	100,00



Return to Work Program Beneficiaries [IR-4E 4.29]

Return to Work (RTW) Program is the benefits-added of JKK Program. The Agency assists the members of JKK-RTW Program from the loss their job until they return the workforce and are capable of supporting their family incomes. The JKK RTW Program facilitates laid-off workers with medical treatments, physical and psychological rehabilitation, vocational training, and evaluation of re-entering workforce.



71.051

Participating Companies



1.003

Beneficiaries



858 atau 86%

Member Returning to Work

Numbers of Participating Companies and Beneficiaries of JKK RTW (2020) Based on Region

Region	Participating Companies		Beneficiaries		Members Returning to Work	
	Number	%	Number	%	Number	%
Northern part of Sumatra	6.005	8	72	7	65	8
Southern part of Sumatra	4.599	6	48	5	43	5
DKI Jakarta	9.653	14	86	9	74	9
West Java	8.133	11	235	23	216	25
Central Java, DI Yogyakarta	6.536	9	178	18	148	17
East Java	12.734	18	116	12	89	10
Kalimantan	4.710	7	31	3	24	3
Sulawesi, Maluku	3.430	5	70	7	47	5
West Sumatra, Riau	5.850	8	74	7	74	9
Banten	3.710	5	83	8	71	8
Bali, Nusa Tenggara, Papua	5.691	8	10	1	7	1
Total	71.051	100,00	1.003	100,00	858	100,00



JKK RTW Program of BPJAMSOSTEK received the 2020 Sinovik Award presented by the Ministry of Administrative and Bureaucratic Reform.



Siti Maimunah, an employee of PT Triguna Bina Sejahtera who suffered from work injury in March 2019, received prosthetic fingers provided by BPJAMSOSTEK. Through intensive support services, she has been returning to work.



5.193

Supporting Centers for Work Accident Service (PLKK)



37

Supporting Centers for Returning to Work Service (PLKB)



81

Supporting Case Managers

Supporting Facilities of PLKK and PLKB (2020) Based on Region

Regional Office	PLKK					Jumlah PLKB	
	Hospital	Community Health Center	Health Clinic	Total	%	Total	%
Northern part of Sumatra	212	312	240	764	15	13	35
Southern part of Sumatra	142	67	206	415	8	6	16
DKI Jakarta	145	185	2	332	6	0	0
West Java	219	429	55	703	14	0	0
Central Java, DI Yogyakarta	219	149	61	429	8	0	0
East Java	257	391	275	923	18	3	8
Kalimantan	92	54	67	213	4	4	11
Sulawesi, Maluku	144	77	87	308	6	1	3
West Sumatra, Riau	109	181	171	461	9	5	14
Banten	76	116	70	262	5	0	0
Bali, Nusa Tenggara, Papua	104	156	123	383	7	5	14
National	1.719	2.117	1.357	5.193	100,00	37	100,00

List of PLKK can be accessed on <https://www.bpjsketenagakerjaan.go.id/plkk.html>.

The disclosure of financial statements are in compliance with GRI Standards. The Comprehensive information of the 2020 financial statements is accessible at: <https://www.bpjsketenagakerjaan.go.id/laporan-keuangan.html>

The Agency has BPJS Ketenagakerjaan's Accounting Principles established by the Decree of BoD Number PERDIR/30/122019 on Accounting Principles for Social Security Insurance Agency. The Financial Statements for financial year ended on December 31st, 2019 had been audited by Public Accountant Office (KAP) Razikun, Tarkosunaryo with Unqualified Opinion.

Assets [POJK51-2.3.c.1]

The 2020 total assets accounted for IDR15,802 billion or decreasing by IDR35 billion or 0.22% decrease than IDR15,837 billion in 2019.

• Current Assets

In the reporting period, the current assets were at IDR7,451 billion or decreasing by IDR232 billion or a 3.02% decrease than IDR7,683 billion in 2019. The decrease was attributable to the decline in the 2020 short-term investment.

• Non-Current Assets

In the reporting period, the non-current assets reached IDR8,351 billion or increasing by IDR196 billion or a 2.41% increase from IDR8,155 billion in 2019. The increase was attributable to the implementation of PSAK 73 Year of 2020 on Lease Assets.

Asset Value of BPJS Ketenagakerjaan

Description	2020	2019*	2018
Current Assets			
Cash and Cash Equivalents	1.238.021,69	1.431.518,21	1.278.840,48
Operational Fund Receivables			
JHT Program	-	15.702,72	44.761,31
JKK Program	-	2.668,53	1.238,04
JKM Program	-	1.603,61	1.928,51
JP Program	-	2.589,58	15.060,65
Investment Receivables	518,86	-	-
Investment Return Receivables	83.679,34	82.869,78	80.279,46
SKP Receivables	273.104,68	380.726,61	473.954,67
Other Receivables	383.579,58	6.463,95	16.999,56
Down Payment	26.503,01	33.242,21	25.439,01
Prepaid Tax Prepaid Tax	-	-	14,04
Prepaid Expenses	14.468,43	49.869,43	35.156,81
Short Term Investment	5.407.585,45	5.647.494,56	5.974.420,27
Account Receivables – Net of Allowance for Impairment	11.598,78	16.193,19	14.233,59

Description	2020	2019*	2018
Office Supplies	11.074,28	11.541,82	11.366,20
Assets Held for Sales	730,81	260,21	129,22
Other Current Assets	-	-	-
Total Current Assets	7.450.864,91	7.682.744,41	7.973.821,82
Non-Current Assets			
Long Term Investment	5.940.313,79	5.925.529,17	4.934.325,40
Direct Investment – Net of Allowance for Impairment	650,00	650,00	716,93
Property Investment – Net of Accumulated Depreciation	81.404,59	82.793,52	84.165,88
Fixed Assets – Net of Accumulated Depreciation	1.287.462,56	1.261.955,75	1.205.806,93
Right of Use of Asset	349.435,34	-	-
Intangible Assets – Net of Accumulated Amortization	7.455,62	11.430,04	34.621,32
Deferred Tax Assets	586.257,99	647.331,26	546.290,68
Tax Restitution Claims	74.978,24	203.700,32	129.295,00
Other Non-Current Assets	23.148,27	21.208,65	11.221,39
Total Non-Current Assets	8.351.106,42	8.154.598,70	6.946.443,53
Total Assets	15.801.971,33	15.837.343,12	14.920.265,45

Note: in IDR million
*restatement



Liabilitas

In 2020, the Agency reported the Total Liabilities of IDR3,612 billion increasing by IDR106 billion or a 3.02% increase from IDR3,506 billion in 2019.

• Short-term Liabilities

The 2020 Short-Term Liabilities amounted to IDR1,387 billion, decreasing by IDR251 billion or a 15.32% decrease from IDR1,638 billion in 2019. The decrease was attributable to the decrease in accrued expenses.

• Long-term Liabilities

The 2020 Long-Term Liabilities increased by IDR357 billion or a 19.18% increase to IDR2,225 billion from IDR1,868 billion in 2019. The increase was attributable to the implementation of PSAK 73 Year of 2020 on the liabilities accounting terkait pencatatan liabilitas hak sewa dan kenaikan liabilitas imbalan pasca kerja yang dicatat oleh Badan.

Liability Value of BPJS Ketenagakerjaan

Description	2020	2019	2018
Short-Term Liability			
Debt to Third Party	2.362,82	2.516,66	2.438,68
Tax Payable	84.505,73	62.659,40	107.656,82
Actual Expense	1.108.598,75	1.390.395,54	943.158,47
Prepaid Income	2.771,30	2.091,05	1.172,30
Short-Term Lease Liabilities	32.450,28	-	-
Other Short-Term Liabilities	155.846,08	180.314,59	160.234,94
Total Short-Term Liabilities	1.386.534,96	1.637.977,25	1.214.661,21
Long-Term Liability			
Retirement Benefit Liabilities	1.947.408,81	1.867.779,15	1.478.237,69
Other Long-Term Liabilities	277.746,70	-	-
Total Long-Term Liabilities	2.225.155,51	1.867.779,15	1.478.237,69
Total Liabilities	3.611.690,47	3.505.756,40	2.692.898,90

Note: In IDR million

Equity

The 2020 Total Equity reached IDR12,190 billion, decreasing by IDR141 billion or a 1.41% decrease from IDR12,331 billion in 2019. The decrease was attributed to decreases in other equity in 2020.

Equity of BPJS Ketenagakerjaan

Description	2020	2019*	2018*
Capital	9.459.295,26	9.459.295,26	9.459.295,25
Equity from Combined Entities under Common Control	1.408.126,72	1.408.126,71	1.408.126,72
Surplus Balance	2.060.082,14	2.005.472,02	1.687.194,89
Other Equity Components	(737.226,89)	(541.310,82)	(327.253,45)
Non-Controlling Interests	3,64	3,55	3,04
Total Equity	12.190.280,86	12.331.586,72	12.227.366,45

Note: In IDR million

*restatement

Consolidated Financial Performance

Description	2020	2019*	2018*
Operating Revenue			
• Operating Fund sourced from JHT	3.106.939,27	3.285.190,44	3.557.072,75
• Operating Fund sourced from JKK	226.369,06	291.339,26	186.634,45
• Operating Fund sourced from JKM	108.901,74	137.936,40	87.650,11
• Operating Fund sourced from JP	613.959,93	986.617,14	777.055,28
Total Operating Revenue	4.056.170,00	4.701.083,24	4.608.412,59
Operating Expense			
Operating & Additional Expenses	391.576,09	712.762,64	624.274,15
Personnel & Management Expenses	3.068.522,54	3.096.151,60	3.213.481,66
General & Other Expenses	628.757,05	635.306,25	554.372,71
Total Operating Expenses	4.088.855,68	4.444.220,49	4.392.128,52
Surplus (Deficit) of Operating Program Management	(32.685,68)	256.862,75	216.284,04
Non-program Management Operating Revenue (Expense)			
• Investment Revenue	825.944,10	890.857,54	1.026.875,69
• Investment Expense	(119.184,74)	(125.712,75)	(118.357,45)
• Incentive Expense	(397.816,60)	(457.727,34)	(352.433,42)
• CSER Expense	(1.587,89)	(28.328,96)	(43.807,75)
Total Non-program Management Operating Revenue (Expense)	307.354,87	279.088,49	512.277,07
Operating Surplus	274.669,19	535.951,25	728.561,12
Non Operating Revenue (Expense)			
• Subsidiary Revenue	42.790,45	58.764,76	109.198,63
• Subsidiary Expense	(75.321,67)	(100.415,54)	(121.659,88)
• Other Net Revenues	158.873,67	96.497,32	25.557,01
Surplus Before Tax and Distribution	401.011,64	590.797,79	741.656,88
Expense of Surplus Distribution			
• Realization of JHT Program	1.272,57	33.629,83	24.877,01
• Realization of JKK Program	112,85	1.764,51	1.594,68
• Realization of JKM Program	53,43	828,67	637,87
• Realization of JP Program	382,18	7.346,56	4.784,04
Total Expense of Surplus Distribution	1.821,03	43.569,57	31.893,60
Limitation from Resource Providers			
• SKP Revenue	90.683,64	105.095,70	92.214,05
• SKP Expense	(43.671,33)	(85.840,64)	(40.331,32)
Surplus (Deficit) of SKP	47.012,31	19.255,06	51.882,73
Surplus Before Tax	446.202,91	566.483,28	761.646,01

Description	2020	2019*	2018*
Tax Expense (Revenue)			
• Current Tax	189.032,92	282.166,91	320.320,84
• Previous Year's Tax	120.499,76	-	-
Deffered Tax Expense (Income)	73.199,92	(33.961,30)	(27.925,88)
Total	382.732,60	248.205,61	292.394,96
Current Account Surplus	63.470,30	318.277,67	469.251,05
Other Comprehensive Income			
Items not Recognized in Surplus Deficit			
• Unrealized gains (losses) on FVOCI Investment Fair Value	(186.350,17)	-	-
• Remeasurement of Post-Employment Benefit	(30.359,76)	(268.317,08)	274.023,70
• Related Income Tax	12.126,66	67.079,27	(68.505,92)
Total	(204.583,27)	(201.237,81)	205.517,78
Items Reclassified in Surplus Deficit			
• Unrealized Gains (Losses) on Fair Value of Available-for-Sale Investments	-	49.821,47	96.365,78
• Realized Gains (Losses) on Fair Value of Available-for-Sale Investments and Reclassified in Surplus Deficit	-	(62.641,06)	(265.401,32)
Total	-	(12.819,59)	(169.035,54)
Comprehensive Surplus (Deficit)	(141.112,96)	104.220,27	505.733,29
Amount of Surplus Attributable To			
• Parent Entity Owner	63.470,20	318.277,13	469.251,20
• Non-Controlling Interest	0,11	0,54	(0,15)
Total	63.470,31	318.277,67	469.251,05
Amount of Other Comprehensive Income Attributable To			
• Parent Entity Owner	(141.113,05)	104.219,75	505.733,44
• Non-Controlling Interest	0,09	0,52	(0,15)
Comprehensive Income for the Current Year	(114.112,96)	104.220,27	505.733,29

Note: In IDR million

*restatement

Business Revenues

The 2020 business revenues were attributable to Operational and Non-Operational incomes. To date, the Agency has not yet performed the study on impacts of climate change on its business, including the study on financial risks and opportunities caused by climate change or natural disaster. The 2020 revenues derived

from BPJS Ketenagakerjaan's Managed Fund amounted to IDR5,130 billion, declining by IDR636 billion or a 11.03% decline from IDR5,766 billion in 2019. During the reporting period, the Agency never received financial supports, including the payment on membership contribution --from the Government. [POJK51-2.a.2][201-2] [201-4]

Business Revenues of BPJS Ketenagakerjaan

Description	2020	2019	2018
Operating Revenue			
• Managed JHT Fund of DJS	3.106.939,27	3.285.190,44	3.557.072,75
• Managed JKK Fund of DJS	226.369,06	291.339,26	186.634,45
• Managed JKM Fund of DJS	108.901,74	137.936,40	87.650,11
• Managed JP Fund of DJS	613.959,93	986.617,15	777.055,28
Total Penghasilan Operasional	4.056.170,00	4.701.083,24	4.608.412,59
Non-Operating Revenue			
• Investment Revenue	825.944,11	890.857,54	1.026.875,69
• Subsidiary Revenue	42.790,45	58.764,76	109.198,63
• Other Revenues	158.873,67	96.497,32	25.557,01
• Revenue from SKP Service Improvement	47.012,31	19.255,06	51.882,73
Total Operating Revenue	1.074.620,54	1.065.374,68	1.213.514,06
Total Business Revenues	5.130.790,54	5.766.457,92	5.821.926,65

Note: in IDR million

Business Revenue Generated by DJS

Social Security Fund (DJS) covers contribution revenues, security costs & social security service costs, investment returns, operational costs, revenue & other costs, per-program social security fund surpluses, and reports of program funding position. The 2020 revenues generated by DJS program amounted to IDR96,474 billion, decreasing by IDR4,825 billion or a 4.76% decrease from IDR101,299 billion in 2019. The decrease was attributable to the volatile global economic market due to the COVID-19 pandemic. [POJK51-2.a.2]

Business Revenues of Social Security Fund

Description	2020	2019	2018
Revenue of JHT Program			
• Monthly Contributions	49.368.693	47.438.165	42.455.110
• BPJS Contribution	1.273	33.630	24.877
• Investment Revenue	16.148.485	20.918.077	10.367.065
• Other Revenues	11.942	26.424	44.932
• Total Revenues	65.530.393	68.416.296	52.891.984
Revenue of JKK Program			
• Monthly Contributions	3.790.755	5.926.428	5.322.848
• BPJS Contribution	113	1.764	1.595
• Investment Revenue	2.600.853	2.688.746	1.626.116
• Other Revenues	1.439	3.483	13.628
• Total Revenues	6.393.160	8.620.421	6.964.187

Description	2020	2019	2018
Revenue of JKM Program			
• Monthly Contributions	1.824.749	2.814.030	2.495.533
• BPJS Contribution	53	828	638
• Investment Revenue	1.009.086	1.000.244	575.954
• Other Revenues	445	2.140	5.302
• Total Revenues	2.834.333	3.817.242	3.077.427
Revenue of JP Program			
• Monthly Contributions	18.279.571	17.248.873	14.826.293
• BPJS Contribution	382	7.346	4.784
• Investment Revenue	3.431.913	3.180.584	897.047
• Other Revenues	4.297	9.146	6.655
• Total Revenues	21.716.163	20.445.949	15.734.779
Total Business Revenues of DJS	96.474.049	101.299.908	78.668.377

Note: in IDR million

Business Expense

Total Business Expenses were calculated as Operational Expenses and Non-Operational Expenses. In 2020, the total Business Expenses reached IDR4,682 billion, decreasing by IDR473 billion or a 9.19% decrease from IDR5,156 billion in 2018. The decrease was attributable to efficiency in operational activities (i.e., the focus on fixed costs and payments on employment contract or rent costs) amid the COVID-19 pandemic.

Business Expenses of BPJS Ketenagakerjaan

Description	2020	2019	2018
Operating Expense			
• Operating & Additional Expenses	391.576,09	712.762,64	624.274,15
• Personnel & Management Expenses	3.068.522,54	3.096.151,60	3.213.481,66
• General & Other Expenses	628.757,05	635.306,25	554.372,71
• Total Operating Expenses	4.088.855,68	4.444.220,49	4.392.128,52
Non-Operating Expense			
• Investment Expense	119.184,74	125.712,75	153.941,00
• Subsidiary Expense	75.321,67	100.415,54	119.411,57
• CSER Expense	1.587,89	28.328,96	43.807,75
• Incentive Expense	397.816,60	457.727,33	352.433,42
• Total Non-Operating Expenses	593.910,90	712.184,58	669.593,74
Total Business Expenses	4.682.766,58	5.156.405,07	5.061.722,26

Note: in IDR million

Business Expenses of DJS

The Business Expenses of DJS cover Program Expense, Technical Reserve Expense, BPJS Operational Fund Expense, Investment Expense, Recovery of Receivable Impairment, and Other Expenses. The total Business Expense of 2020 DJS hit IDR41,076 billion, increasing by IDR5,453 billion or a 15.31% increase from IDR35,622 billion in 2019. It was attributable to the massive lay-off so that the laid-off workers submitted their JHT claims. The Business Expenses of JKM soared by 97.40% much higher than the 2019 expenses. The surge was attributed to the increasing benefits pursuant to the Government Regulation (PP) Number 82 Year of 2019. The total JKM claims surged from IDR24 million to IDR42 million, and the equal scholarship grant of IDR12 million was given to two heirs of each member. The scholarship grant of maximum IDR174 million covers educational aid given from the kindergarten to undergraduate degree.

Business Expenses of Social Security Fund (DJS)

Description	2020	2019	2018
Business Expenses of JHT Program			
• Warranty Expense	33.101.924	27.080.768	22.330.411
• Operating Fund Expense of BPJS	3.106.939	3.285.190	3.557.072
• Investment Expense	118.214	183.055	173.898
• Receivables Impairment Expense	59.901	7.854	82.428
• Other Expenses	1.069	771	809
• Total Expenses	36.388.047	30.557.638	26.144.618
Business Expenses of JKK Program			
• Warranty Expense	1.556.943	1.576.697	1.226.809
• Technical Reserve Expense	(972.507)	540.557	210.810
• Operating Fund Expense of BPJS	226.369	291.339	186.634
• Investment Expense	8.168	21.321	11.451
• Allowance for Receivables	(18.082)	809	22.148
• Other Expenses	206	233	195
• Total Expenses	801.097	2.430.956	1.658.047
Business Expenses of JKM Program			
• Warranty Expense	1.346.736	862.726	708.023
• Technical Reserve Expense	1.343.605	401.160	119.863
• Operating Fund Expense of BPJS	108.902	137.934	87.650
• Investment Expense	3.584	10.569	4.285
• Allowance for Receivables	(7.442)	3.649	7.627
• Other Expenses	124	131	120
• Total Expenses	2.795.509	1.416.169	927.568
Business Expenses of JP Program			
• Warranty Expense	439.870	196.220	211.562
• Operating Fund Expense of BPJS	613.960	986.617	777.055
• Investment Expense	19.961	25.898	18.584
• Allowance for Receivables	17.270	9.094	24.855
• Other Expenses	575	362	236
• Total Expenses	1.091.636	1.218.191	1.032.292
Total Business Expenses of Social Security Fund (DJS)	41.076.289	35.622.952	29.765.525

Note: in IDR million

Operating Revenues (Increases in Net Assets)

The Operating Revenues of DJS was traceable through Increases in programs' Net Assets. Operating Expenses subtracted from Operating Revenues are the increases in Programs' Net Assets. The Operating Revenues of 2020 DJS amounted to IDR55,376 billion, decreasing by

IDR10,279 billion or a 15.65% decrease from IDR65,676 billion in 2019. The decrease was attributable to the decrease in mark-to-market investment assets that had yet to be actualized. The decrease was potential for increase in investment assets based on the prices in future markets.

Net Assets

Description	2020	2019	2018
Net Asset of JKK Program	5.592.063	6.189.465	5.304.970
Net Asset of JKM Program	38.824	2.401.072	2.148.291
Net Asset of JHT Program	29.142.346	37.858.656	26.686.321
Net Asset of JP Program	20.624.527	19.227.759	14.692.126
Total Net Assets	55.397.760	65.676.952	48.831.708

Note: in IDR million

BPJS's Current Earnings

Operating expenses subtracted from Revenues are Earnings Before Tax reached IDR466 billion in 2020. The amount declined by IDR120 billion or a 21.23% decrease from IDR566 billion in 2019. The 2020 tax expenses of minus IDR382 billion increasing by IDR134 billion or a 54.20% increase from minus IDR248 billion in 2019, and therefore, the 2020 Current Earnings amounted to IDR63 billion, declining by IDR254 billion or 80.06% of IDR318 billion in 2019.

Current Earnings

Description	2020	2019	2018
Earnings Before Tax	446.202,90	566.483,29	761.646,04
Income Tax Expense	(382.732,59)	(248.205,61)	(292.394,95)
Net Revenue (Expense) of Current Year	63.470,31	318.277,68	469.251,09

Note: in IDR million

Current Year Comprehensive Earnings

In the reporting period, Current Year Comprehensive Earnings were at minus IDR141 billion, lowering by IDR245 billion or a 235.58% decrease from IDR104 billion in 2019. The decrease was attributable to the declining mark-to-market investment assets that had yet to be actualized. The decrease was potential for increase in investment assets based on the prices in future markets. [POJK51-2.a.3]

Attributable Comprehensive Earnings

To the end of reporting period, Current Year Comprehensive Earnings attributable to the Parent Entity and Non-Controlling Interests respectively amounted to IDR141 billion and IDR87 billion.

Comprehensive Earnings of Current Year

Description	2020	2019	2018
Net Revenue (Expense) of Current Year	63.470,30	318.277,68	469.251,09
Other After-Tax Comprehensive Earnings of Current Year	(204.583,26)	(214.057,40)	36.482,24
Comprehensive Earnings of Current Year	(141.112,96)	104.220,28	505.733,33

Note: in IDR million

Consolidated Cash Flow

- Cash Flows generated by the 2020 Operational Activities were at minus IDR406 billion, decreasing by IDR735 billion or a 223.40% from IDR329 billion in 2019. The decrease was attributable to the decrease in operational income along with the increase in payments given to workers.
- Cash Flow generated by the 2020 Investment Activities amounted to IDR215 billion, increasing by IDR342 billion or a 269.29% increase from minus IDR127 billion in 2019. The increase was attributable cash flows from sold investments, incomes from bond interest rates, incomes from deposit interest rates, sold bonds, and increasing returns from the 2020 investment in Islamic bonds.
- Cash Flows generated by 2020 Financing Activities was at minus IDR2 billion, increasing by IDR47 billion or a 95.92% increase from IDR49 billion in 2019. It was attributable to the lower contribution distributed to JKK, JKM, JHT, and JP programs.

Consolidated Cash Flow

Description	2020	2019	2018
Cash Flow of Operating Activities	(406.284,46)	329.118,71	(34.887,48)
Cash Flow of Investment Activities	215.204,47	(126.793,81)	281.208,89
Cash Flow of Financing Activities	(2.416,52)	(49.647,17)	(32.526,34)
Increase (Decrease) of Cash and Cash Equivalents	(193.496,51)	152.677,73	213.795,07
Balance of Cash and Cash Equivalents in the Beginning of Year	1.431.518,21	1.278.840,48	1.065.045,41
Balance of Cash and Cash Equivalents in the End of Year	1.238.021,69	1.431.518,21	1.278.840,48

Note: in IDR million

Consolidated Cash Flow and Difference of Increase (Decrease)

Description	2020	2019	Increase (Decrease)	
			Difference	%
Cash Flow of Operating Activities	(406.284,46)	329.118,71	(735.403)	(223,45)
Cash Flow of Investment Activities	215.204,47	(126.793,81)	341.997	269,73
Cash Flow of Financing Activities	(2.416,52)	(49.647,17)	47.231	95,13
Increase (Decrease) of Cash and Cash Equivalents	(193.496,51)	152.677,73	(346.174)	(226,74)
Balance of Cash and Cash Equivalents in the Beginning of Year	1.431.518,21	1.278.840,48	152.678	11,94
Balance of Cash and Cash Equivalents in the End of Year	1.238.021,69	1.431.518,21	(193.497)	(13,52)

Note: in IDR million, except for %

Solvency

Solvency Ratio, to compare the Total of DJS Assets with Total Liability of each of program's fund, measures the solvency of JHT and JP Programs. The financial solvency is measured from the liabilities of DJS's Old-Age Security and Pension Security Programs for settling security program provided to members.

The 2020 solvency of JHT and JP Programs were at 95.42% and higher than 100%, respectively. The backdrop signified that the JHT program had healthy financial solvency even though its solvency was lower than 100%. Meanwhile, the Net Assets of DJS Pension were positive and larger than actuarial obligation pursuant to PP/2-15 to conclude the robust financial solvency of JP Program.

Total Liabilities of JHT Program to its members is comprised of mature JHT Debts, Liability of on due JHT, net assets available for JHT benefits. Total Liability of JP Program for benefits given to members derives from mature Security Debt, on due Pension Liability, and net assets available for paying benefits of JP Program.

Solvency (2020)

Program	Total Assets	Total Liabilities to Members	Liquidity
	(a)	(b)	(c) = a/b
Old-Age Security (JHT)	346.923.374	363.566.061	95,42%
Pension Security (JP)	80.645.347	-	>100,00%

Note: in IDR million, except for %

Receivable Collectability

Contribution collectability refers to the proportion of paid contribution to the required payable receivables. In the reporting period, the total of 2020 paid contribution reached IDR73,263.77 billion plus the total receivable resulted in IDR76,338.51 billion worth of required payable receivables. The 2020 collectability was at 95.97%

higher than 95.91% in 2019 and signified the stable receivables from year to year.

Receivable Collectability (%)

2020	2019	2018	Increase (Decrease)	
1	2	3	1:2	2:3
95,97	95,91	96,80	1,00	1,00



Capital Structure

BPJS Ketenagakerjaan's 2020 Capital Structure consisted of a 22.86% of Liability equal to IDR3,611 billion and a 77.14% of Equity equal to IDR12,190 billion. During the reporting period, the Agency was capable of optimizing its capital structure and generated efficient funding.

BPJS Ketenagakerjaan Capital Structure

Details	2020		2019		2018	
	IDR billion	%	IDR billion	%	IDR billion	%
Liabilities	3.611,69	22,86	3.505,75	22	2.692,89	18
Equity	12.190,28	77,14	12.331,58	78	12.227,36	82
Assets	15.801,97	100,00	15.837,33	100,00	14.920,25	100,00

Capital Structure (2020) Compared to Capital Structure (2019)

Details	2020		2019		Increase (Decrease)
	IDR billion	%	IDR billion	%	(%)
Liabilities	3.611,69	22,86	3.505,75	22	3,02
Equity	12.190,28	77,14	12.331,58	78	(1,15)
Assets	15.801,97	100,00	15.837,33	100,00	(0,22)

Capital Structure of Social Security Fund

Details	2020			2019		2018*	
	IDR billion	%	Δ% 2020-2019	IDR billion	%	IDR billion	%
Old-Age Security (JHT)							
Liabilities	168,29	0,05	(75,46)	685,72	0,22	20.133,23	7,22
Equity	346.755,08	99,95	9,17	317.620,39	99,78	258.698,52	92,78
Assets	346.923,37	100,00	8,99	318.306,11	100,00	278.831,75	100,00
Employment Injury Security (JKK)							
Liabilities	2.562,82	6,24	(27,05)	3.515,33	9,65	2.975,67	9,65
Equity	38.500,82	93,76	16,99	32.910,20	90,35	26.575,01	89,93
Assets	41.063,64	100,00	12,73	36.425,53	100,00	29.550,68	100,00
Death Security (JKM)							
Liabilities	2.650,03	17,85	108,01	1.274,86	9,49	885,96	8,38
Equity	12.193,84	82,15	0,31	12.155,66	90,51	9.686,37	91,62
Assets	14.843,86	100,00	10,53	13.430,52	100,00	10.572,31	100,00
Pension Security (JP)							
Liabilities	307,76	0,38	162,37	117,30	0,20	556,75	2,38
Equity	80.645,35	99,62	34,35	60.027,24	99,80	39.852,30	98,62
Assets	80.953,11	100,00	34,60	60.144,54	100,00	40.409,05	100,00

* Restatement

Material Commitments for Investment and Capital Expenditures

During 2019, the Agency carried out material networks with a number of parties. The fund derived from State Capital Injections (PMN) in rupiah currency (Rp/IDR) as currency denomination. The material commitment

to 2020 capital expenditure amounted to IDR636,47 billion, with IDR190,64 worth of realization. The 2020 realization declined by IDR26.68 billion or a 12.2% decline from IDR217.32 billion in 2019.

Target and Realization of Capital Expenditure

Description	2020			2019	2018
	Target	Realization	%		
Buildings	169,00	73,90	43,73	53,16	42,86
Vehicles	189,21	38,48	20,34	38,98	63,20
Apps License & Development	55,56	0,00	0,00	9,96	1,95
Office Supplies	38,97	21,38	54,87	20,66	21,25
Computer & Peripherals	18,17	6,09	33,51	42,39	35,16
Other Equipments	141,33	30,85	21,83	9,41	16,66
Land	24,23	19,91	82,17	42,73	49,82
Total	636,47	190,64	29,95	217,32	230,90

Note: in IDR billion

Economic Values Generated and Distributed

BPJS Ketenagakerjaan was capable of providing sustainable insurance and social security to workers due to the economic performance. The capability became the material topic. The information coverage was obtained from the Agency's headquarters based on the Consolidated Financial Statements whose the responsibility was held by the Financial Directorate. The economic value distribution gained was carried out in accordance with the prevailing regulations such as the Laws of Social Security Agency, the Laws of Taxes, and the Laws of Social and Environmental Responsibilities. The Board of Directors (BoD) evaluate the management performance based on Key Performance Indicators (KPI) on a periodical basis. The KPI assessment showed the Agency's capability of maintaining its financial performance amid the COVID-19 pandemic. [103-1][103-2][103-3]

During 2020, the Agency was capable of maintaining its operational and financial performance stable, with the following details of generated economic values during the reporting period: the Total Business Revenues of IDR5,130,79 billion, decreasing by IDR635 billion or a 11.02% decrease from IDR5,766,456 billion in 2019. A half of the total generated economic values were distributed to the stakeholders in accordance to their needs. The distributed economic values were paid benefits, workers' costs, social investments (TJSL financing), and tax payments/non-tax revenues (PNBP). The distribution of economic values gained were the payment on program benefits to the members. The distribution was disclosed separately from this Report.

[201-1][POJK51-6.b]

Economic Values Generated and Distributed [201-1][POJK51-6.b]

No	Uraian	2020	2019	2018
Economic Values Generated				
1	Operating Revenue	4.056.170	4.701.083	4.608.412
2	Investing Revenue	825.944	890.857	1.062.459
3	Subsidiary Revenue	42.790	58.764	109.198
4	Other Revenues	158.874	96.497	27.922
5	SKP Service Capacity Improvement Revenue	47.013	19.255	51.882
6	Total Economic Values Generated	5.130.791	5.766.456	5.859.873
Economic Values Distributed				
7	Salary Cost	2.778.032	2.827.563	2.818.835
8	CSER Practices Cost	1.588	28.328	43.807
9	Tax and Non-Tax Payment	382.733	248.205	291.769
10	Total Economic Values Distributed	3.162.353	3.104.096	3.154.411
Economic Values Retained				
11	Total Economic Values Retained	1.968.438	2.662.360	2.705.462

Notes: In IDR Million

Payments of program benefits to members will be separately presented

The distribution of economic values gained for social investments was in form of the financing of TJSL activities. The 2020 TJSL financing amounted to IDR1.22 billion to cover the financing of 4 Program Pillars. [POJK51-6.d.1]

Realization of CSER Cost

Name of Program	2020		2019	2018
	Biaya	%		
Jembatan Kemasyarakatan or Bridge of Community	0	0	7.272.367.500	5.287.953.447
Jembatan Pemberdayaan or Bridge of Empowerment	0	0	3.092.573.937	2.581.988.000
Jembatan Kepedulian or Bridge of Care	78.175.000	6,40	15.267.100.330	18.725.784.319
Jembatan Kelestarian or Bridge of Preservation	1.143.968.002	93,60	630.986.752	20.002.731.831
Total	1.222.036.002	100,00	26.263.028.519	46.598.457.597

Note: In Indonesian Rupiah (IDR)

Also, the Agency distributed half of its generated economic values in form of payments of tax and non-tax revenues (PNBP) to the Government. The total payments of tax and PNBM in 2020 reached IDR701 billion.

- The 2020 lower payments than the 2019 payments were attributed to the decrease in 2020 tax payment realization, thereby lowering tax payment. One of the major factors decreasing tax payment was the decrease in tax down payment of IDR159.4 billion or declining by 46.1% compared to the prior period. The decrease was attributable to the decrease in the Agency's surpluses due to the COVID-19 pandemic.

Total Tax and Non Tax Revenues Paid by BPJS Ketenagakerjaan

Type of Tax and Non Tax Revenue	2020		2019	2018
	Total	%		
Tax Income (PPH 21) Borne by Employees	82.776,65	11,80	86.361,45	72.858,25
PPH 21 on Permanent Employees Borne by Company	363.267,02	51,78	338.079,64	290.632,81
Final PPH on Permanent Employees Borne by Company	27.026,83	3,85	6.005,08	9.886,80
Final PPH 21 on Personal Income	1.321,50	0,19	942,26	2.852,63
PPH 23 on Technical Professional Services	7.195,95	1,03	7.656,46	6.996,89
PPH 23 on Competition Prizes	241,63	0,03	394,02	18
Final PPH on Land and Building Rent	4.549,25	0,65	5.802,93	4.377,89
Final PPH on Construction Services	1.455,02	0,21	2.181,05	479,64
PPH 23 on Other Rents	288,71	0,04	488,13	130,61
<i>PPH 23 on Broker Fee Income</i>	772,01	0,11	1.600,77	398,03
IPPh 26 on Foreign Taxpayers Income	280,78	0,04	125,02	147,09
Value Added Tax (VAT/PPn) on Goods & Services	124,23	0,02	88,08	260,06
VAT on Outputs of Building for Investment	12.166,03	1,73	9.606,76	839,21
VAT on Capital Building Rent	62,09	0,01	82,08	15,17
Land and Building Tax (PBB) Expense on Shop-houses	120,97	0,02	120,97	110,21
Land and Building Tax (PBB) Expense on Office Buildings	5.207,64	0,74	4.880,46	4.555,07
Land and Building Tax (PBB) Expense on Rental Flats	302,21	0,04	294,02	322,07
Land & Building Tax (PBB) Expense on Land & Building for Investment	7.318,15	1,04	7.283,31	6.378,99
Advance Tax & Underpayment of Previous Year	186.408,08	26,57	345.846,87	435.397,88
Income Tax (PPH) Expense on Service Charge of Building for Investment	0,399	0,0001	0	706,27
Income Tax (PPH) Expense on Rent of Building for Investment	204,47	0,03	44,89	1.537,87
Income Tax (PPH) Expense on Other Income for Investment	500,00	0,07	505,11	28,55
Total Payment	701.589,22	100,00	818.389,37	838.929,99

Note: in IDR billion

Distribution of economic values for workers take form of incentive payments in form of principal salaries, allowances & benefits according to administration levels, and pensions as well.

The Agency includes employees in the program of fixed benefit pension and fixed contributions managed by BPJS Employee Pension Fund with 3,999 members. The Agency pays 21.42 % of the fixed-benefit contributions of pension program, while the employees pay the remaining 5% of the contributions. The total 2020 pension payment reached IDR1,955 trillion for 1,964 retired employees. The fund solvency ratio (RKD) amounted to 101.39% so that the managed fund can be returned to the entitled members. [201-3]



Supports for Sustainable Development Goals (SDGs) [SDG 8] [POJK51-6.c.3.c]

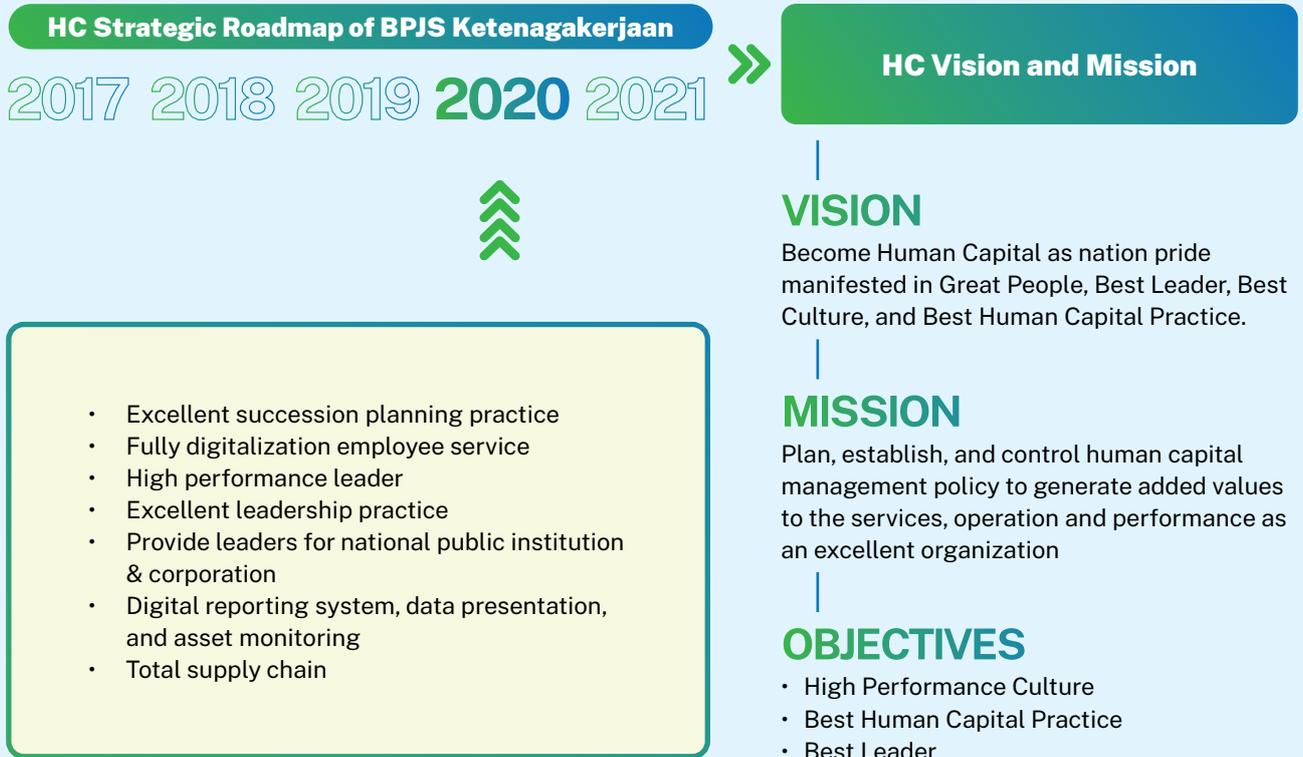
The distribution of economic values in form of 4 TJSJL Program Pillars, particularly Jembatan Pemberdayaan will nurture entrepreneurship culture to Micro, Small, and Medium Enterprises (UMKM), thereby supporting the eighth goal of Sustainable Development Goals (SDGs) which is Decent Employment and Economic Growth. Pursuant to the Summary of SDGs Metadata Indicators by the National Development Planning Agency (Bappenas), the Jembatan Pemberdayaan Program supports the formalization and the growth of UMKM and provides UMKM with more accesses to financial services providing financing.

► Review of Human Resource Capital in the Process of BPJS Ketenagakerjaan Value Creation

The Agency manages employees as human capital (HC) assets to assure the balance performance of social security and insurance given to workers. In accordance with the material topic, the information disclosure covers employee training, diversity, and equality.

Human Capital Management and Equality [POJK51-6.c.2.a]

The Agency has the roadmap of HC management for 2017-2021. The 2020 HC management targeted Best Leadership Practice, with the strategic working program supported the performance of the Agency's leaders.



The HC management refers to the best practices, one of them is the manpower planning pursuant to the Agency's future development. The implementation of best practices has the Agency as the role model of human capital management and high-tech human capital practices, as well as the hub for social insurance training competence.

One of important aspects for the practices of manpower planning is the varied sources of recruitment to hire the best talents and position them in accordance with their expertise in each of business units. The recruitment processes are fair and transparent by taking into account the equal opportunities for all Indonesian, and the selection processes complied with the Board of Directors (BoD) Regulation Number PERDIR/47/122017.

In 2020, the Agency recruited and hired four new employees. They were one male employee equal to 25% and 3 female employees equal to 75%. Based on the placement, most of new employees were positioned the Agency's branch offices across Indonesia, while the largest age group was 21-30 years old. It proves that the Agency hires no minors. Also, the Agency is committed to complying with the regulated working hours, and the compliance proves no violation of employment is committed by the Agency. [401-1][408-1][409-1]

During the reporting period, the recruitment of new employees sourced from the scholarship program or the graduates received magister scholarship. Meanwhile the regular recruitment activity was carried out in 2021 due to the COVID-19 hit.

Total New Employees of BPJS Ketenagakerjaan Based on Recruitment Source and Gender [401-1]

Recruitment Source	2020				2019	2017
	Male		Female			
	Total	%	Total	%		
Regular	0	0	0	0	309	442
Campus Hiring	0	0	0	0	0	-
Professional Hire	0	0	0	0	3	5
Scholarship	1	100	3	100	5	0
Total	1	100	3	100	317	449

Total New Employees of BPJS Ketenagakerjaan Based on Age Group [401-1][408-1]

Age Group	2020		2019	2018
	Total	%		
>50 years old	0	0	0	-
41-50 years old	0	0	0	-
31-40 years old	0	0	1	4
21-30 years old	4	100	315	445
<20 years old	0	0	0	-
Total	4	100	316	449

Total New Employees of BPJS Ketenagakerjaan Based on Placement [401-1][408-1]

Placement	2020		2019	2018
	Total	%		
Headquarters	4	100	19	25
Regional Offices	0	0	1	6
Branch Offices	0	0	296	416
Subsidiaries	0	0	0	0
Total	4	100	316	449

Building Employee Engagement

The Agency carried out a periodical survey to figure out employees engagement and commitment to their work and BPJAMSOSTEK's mission and values. In the reporting period, the independent survey by PT Agra Bangun Bangsa/ACT Indonesia, a Research Consultant, found out the employees engagement was at 82%, decreasing from 88% in 2019. The decrease signed the urgency of employees' capability of adapting to the new normal brought by the COVID-19.

The employees' engagement to the Agency was also indicated by the level of employee's turnover. It is a basis of comparison between the number of employees to leave the Agency and the number of average employees. In 2020, 75 employees or 0.94%% of the average employees left the Agency during the reporting period. [401-1]

Employee Turnover Rate and Number [401-1]

Year	Employees Leaving Job	Total Employees	Turnover Rate
2020	57	6.045	0,94%
2019*	72	6.202	1,16%
2018*	35	5.957	0,59%

Note: There is a difference in the recording of employee turnover between data recorded in 2018-2019 and data recorded in 2020. Retired and deceased employees are not included in the recording.

Number and Percentage of Employees Leaving the Agency Based on Gender [401-1]

Year	Employee Leaving the Agency				Total
	Male		Female		
	Total	%	Total	%	
2020	19	33,34	38	66,66	57
2019*	38	52,77	34	47,22	72
2018*	17	48,57	18	51,43	35

Note: There is a difference in the recording of employee turnover between data recorded in 2018-2019 and data recorded in 2020. Retired and deceased employees are not included in the recording.

The Agency carries out training and education to better improve the employees' competency and skill sets needed to support the Agency sustainability. That underlines the subject as the material topic of this reporting. The Agency carries out integrated training and education by optimizing its human resources and cooperation with varied institutions. The 2020 budget for career development and employee competency amounted to IDR23,181 billion with the total training of 3,578 hours and 5,162 employees. Periodically, the Board of Directors (Bod) evaluate the training and education practices through KPI indicators. Based on the KPI assessment, the 2020 training and education complied with the Agency's manpower planning. [103-1]
[103-2][103-3]

Another aspect in the HC management in the comprehensive learning and development for employees since their status was prospective employees to their retirement. The comprehensive learning and development cover core competence, leadership, generic and specific skills, and hard as well as soft skill performed through the education and training for employees. The results of learning and development were measured to find each of employee's achievement.

In the reporting period, the Agency allocated IDR23,181 billion for the career development, technical development, refreshment, and certification. In 2020, the Agency spent 3,578 hours of training and education for its 5,162 employees and recorded the average training and education of 31 hours for each of employees. [404-1]

Total Participants and Total Hours of Training and Education in 2020

No	Competency Development Program	Total Hours	Total Participants
Career Development Programs			
1	Onboarding Program	0	0
2	Basic Leadership Development Program	828	52
3	Intermediate Leadership Development Program	828	30
4	Advanced Leadership Development Program	820	20
Technical Development, Refreshment, and Certification Program			
5	Technical Development Program	586	790
6	Refreshment Program	290	3.916
7	Certification Program	82	36
Other Development Programs			
8	Domestic Postgraduate Scholarship	0	142
9	Overseas Postgraduate Scholarship	0	67
10	Domestic Course	0	0
11	Overseas Course	112	42

Biaya Pengembangan Kompetensi Karyawan (Rp)

2020	2019	2018	Δ%	
1	2	3	1:2	2:3
23.181.723.426	52.844.369.951	93.718.966.961	43,87	56,39

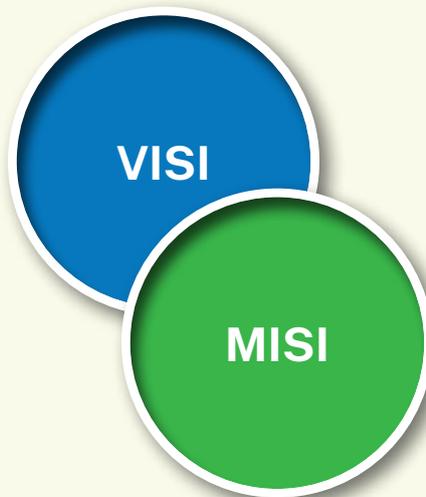
The Agency applied blended learning method to combine class-based and nonclass-based learning and development. With respect to the COVID-19 pandemic, the Agency carried out nonclass-based learning and development.

BPJS Ketenagakerjaan Institute as a corporate university, assessment center, and the development center for culture reinforcement supports the learning and development for employees. In accordance its mission, in 2021, BPJS Ketenagakerjaan Institute is expected to be the center for learning social security insurance.

The mission aligns with the Agency’s efforts to develop BPJS Ketenagakerjaan Institute as Profession Certification Institution (LSP) of Social Security Agency and National Profession Standardization Agency (Badan Nasional Sertifikasi Profesi, “BNSP”) reserving the right for giving valid license of LSP. Until the end of reporting period, BPJS Ketenagakerjaan’s LSP managed 93 Competence Unit of social security administration.

Vision and Mission of BPJS Ketenagakerjaan Institute

“To be the center of learning and development of Social Security”



1. Become a strategic partner for business units in developing and improving competencies to provide protection for workers and increase productivity.
2. Serve as a solution center for solving operational problems so as to contribute to excellent performance.
3. Accelerate learning for all employees to improve organizational and individual performance.

The management of employees as the Agency’s capital and asset is supported by the Human Capital Information System (HCIS) through the use of information technology. In 2020, the Agency carried out efforts to optimize the HCIS practices as following:

- Recruitment process;
- Working assessment;
- Talent management; and
- Employee administration.

For the about-to- retire employees, the Agency equips them with retired trainings to ensure their productivity in face of their pension life. In 2020, there were 35 retired employees to received retired trainings (Diklat Purna Tugas). They participated in the training with their couple. The training events were carried out online with materials as following:

[404-2]

Intermediate Leadership Development Program (ILDLP) Batch 34 of 2020	Upgrading: Digital Secretary	Professional Coach Certification Program (2020)	Mind Mapping
Basic Leadership Development Program (BLDP) Batch 65 & 66 of 2020	Painting Slides with Heart (Accounting)	Digital Module-based Development Program: Time Management	Development Program: Planning and Organizing (2020)
Advanced Leadership Development Program (ADLP) Batch 11 of 2020	Workshop: Installing Optimism	Digital Module-based Development Program: Old-Age Security (JHT)	Technical Development Program: Prospective Examiners (RKAT Investigation Skill)
Webinar: Executive Development Program (EDP)	Webinar Program: Remodeling of Work Relations and Techniques for Measuring Performance in the New Normal Era	Technical Development Program: BRSP Batch 3	Burnout & Conflicts Handling
E-Learning Module: Effective Coaching Techniques	Training: Retirement Fund Risk Management	Investigation Skill Batch 3	BP Jamsostek Sharia Service: Is It Possible?
Training: Business, Finance, and Accounting	Training & Certification: Retirement Fund General Management	Training for Trainers (2020)	Communication Across Generations
Virtual Training: Professional Scrum Master	Training & Certification: Basic Level of Sharia Insurance	Virtual Training: Master Class	BPJS Ketenagakerjaan Investment Fund Management
			The Amazing You (2020)

Career Development

Another crucial aspect in the management of HC is the development of employee career. The Agency provides all its employees with equal opportunities to official promotion by considering the result of performance assessment. The official promotion overlooks ethnicities, religions, race, political groups, or diversity factors differentiated one employee to the rest.

All of the employees are subject to comprehensive performance assessment. Based on the performance assessment in the reporting period, the Agency approved official promotion for 137 employees or 2.26% of the total employees. Among them are 85 male employees of 62.04%, and the remaining 52 are female employees or 37.95%. [404-3]

Total Employees Receiving Official Promotion [404-3]

Year	Gender				Total	Percentage on Total Employees (%)
	Male		Female			
	Total	%	Total	%		
2020	85	62,04	52	37,95	137	2,26
2019	489	67,22	237	32,78	723	11,66
2018	509	64,92	275	35,08	784	13,00

Diversity and Equality [POJK51-6.c.2.a]

The Agency upholds diversity and equality of employees and members, and such commitment is the topic material reported. Information of diversity and equality covers all of the Agency's operational offices and is managed by each of related functions under the prevailing regulation: the Laws of Employment and the Laws of Human Rights (HAM). Through a periodical evaluation based on the performance reporting, the BoD ensured that during the reporting period, the Agency's activities upheld the commitment to diversity and equality. [103-1][103-2][103-3]

The practices of diversity and equality are put into practices by giving all Indonesian citizens equal opportunities to participate in selection and recruitment process. To date, the members of BoS and BoD are Indonesians. Also, the Agency gives equal opportunities for its employees to build careers, including promoting them as the heads of regional or branch offices. [202-2]

Until the end of 2020, the Agency's management came from different background. Also, there were female members of the BoS and BoD even though their number was less than male officials. Their less number was attributable to the result of existing selection instead of discriminative factors. [405-1]



Percentage of Leaders Based on Position Level and Gender in 2020

Position Level	Total	Male		Female	
		Total	%	Total	%
Deputy Division Director	26	25	3,53	1	0,33
Deputy Regional Director	10	10	1,41	0	0,00
President Director of Subsidiary	4	3	0,42	1	0,33
Assistant to Deputy of Division	85	63	8,89	22	7,17
Assistant to Deputy of Regional	60	43	6,06	17	5,54
Branch Manager	123	110	15,51	13	4,23
Assigned Employee equivalent Lv.2	6	5	0,71	1	0,33
Head of Division	501	284	40,06	217	70,68
Head of Pioneer Branch	201	166	23,41	35	11,40
Assigned Employee equivalent Lv.3	0	0	0	0	0
Total	1.016	709	100,00	307	100,00%

Percentage of Leaders Based on Position Level and Age Group in 2020

Position Level	Total	< 30 years old		31 – 50 years old		> 51 years old	
		Total	%	Total	%	Total	%
Deputy Division Director	26	0	0	21	2,61	5	2,40
Deputy Regional Director	10	0	0	4	0,50	6	2,88
President Director of Subsidiary	4	0	0	1	0,12	3	1,44
Assistant to Deputy of Division	85	0	0	69	8,56	16	7,69
Assistant to Deputy of Regional	60	0	0	34	4,22	26	12,50
Branch Manager	123	0	0	72	8,93	51	24,52
Assigned Employee equivalent Lv.2	6	0	0	1	0,12	5	2,40
Head of Division	501	2	100	434	53,85	65	31,25
Head of Pioneer Branch	201	0	0	170	21,09	31	14,90
Assigned Employee equivalent Lv.3	0	0	0	0	0	0	0
Total	1.016	2	100,00	806	100,00	208	100,00

The Agency's employees are entitled for equal remuneration regardless of their gender. The remuneration ratio for both gender in the same official level is at 1:1. But, they may receive different amount of remuneration due to the differences in duration of their official administration. [405-2]

For the recent three years, the lowest amount of remuneration received by the employees of BPJAMSOSTEK is still higher than that of provincial wage (UMR) in regional areas. In the Agency's headquarters, the 2020 employees received the lowest remuneration, but the amount was much higher by 35.94% than IDR4,267,349 worth of DKI UMR. [202-1][POJK51-6.c.2.b]

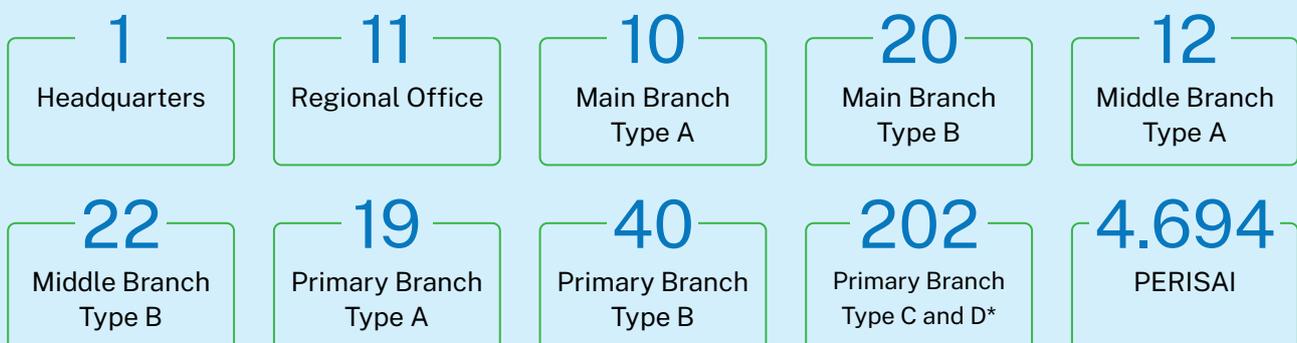
► Review of Manufacture Capital in the Process of BPJS Ketenagakerjaan Value Creation

The review covers the Agency's operational offices across regions in Indonesia. Besides, the performance of PERISAI managed by each of branches was disclosed.

The Agency's sustainable performance of providing social security and insurance to Indonesian workers is supported by its operational offices to include headquarters, regional offices, and branches. To the end of reporting period, the Agency has one headquarters in Jakarta, 11 regional areas, and 325 branches.

Also, the Agency is supported by PERISAI, established under PERDIR/15/082018 on August 01, 2018. PERISAI functions to expand the membership coverage of social security by Non-Wage Recipient Workers (BPU) in the remote areas. Furthermore, PERISAI reports its responsibilities to Heads of each Branch.

Distribution of BPJS Ketenagakerjaan Operational Offices



Note: Changes in nomenclature according to PERDIR 30/08/2020 on Amendment to Perdir 17/06/2020 related to organizational structure and organizational governance. [POJK51-2.3.F]

Regional Office Service Area by Province

Regional Office	Service Area (Province)
Northern part of Sumatra	Nanggroe Aceh Darussalam, North Sumatra
Southern part of Sumatra	South Sumatra, Lampung, Bangka Belitung Islands, Jambi, Bengkulu
DKI Jakarta	DKI Jakarta
West Java	West Java
Central Java, DI Yogyakarta	Central Java, DI Yogyakarta
East Java	East Java
Kalimantan	West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan, North Kalimantan
Sulawesi, Maluku	South Sulawesi, Central Sulawesi, Southeast Sulawesi, North Sulawesi, West Sulawesi, Gorontalo, Maluku, North Maluku
West Sumatra, Riau	West Sumatra, Riau, Riau Islands
Banten	Banten
Bali, Nusa Tenggara, Papua	Bali, West Nusa Tenggara, East Nusa Tenggara, Papua, West Papua

Regional Office Service Area Based on Number of Branch Offices and PERISAI

Regional Office	Number of Branch Offices and PERISAI							Total	PERISAI
	Main Branch Type A	Main Branch Type B	Middle Branch Type A	Middle Branch Type B	Primary Branch Type A	Primary Branch Type B	Primary Branch Type C and D		
Northern part of Sumatra	0	1	0	2	2	6	20	31	118
Southern part of Sumatra	0	1	1	1	2	3	20	28	88
DKI Jakarta	7	2	3	3	1	1	6	23	199
West Java	3	2	4	4	1	1	11	26	160
Central Java, DI Yogyakarta	0	3	0	2	6	1	23	35	210
East Java	0	2	2	4	4	4	20	36	213
Kalimantan	0	2	2	0	2	5	19	30	170
Sulawesi, Maluku	0	1	0	1	0	7	37	46	110
West Sumatra, Riau	0	2	0	2	0	7	18	29	118
Banten	0	3	0	3	0	0	8	14	85
Bali, Nusa Tenggara, Papua	0	1	0	0	1	5	20	27	104
Total	10	20	12	22	19	40	202	325	1.575



Information of the address of regional offices and branches are accessible through the website: <https://www.bpjsketenagakerjaan.go.id/kontak.html>.

About PERISAI



In 2020, the Agency recruited 2,150 PERISAI agents so that in the end of reporting period, there were 4,694 agents of PERISAI. Most of PERISAI offices are located in East Java, while DKI Jakarta and East Java recorded the largest number of PERISAI agents.

Realization of the PERISAI Agent and PERISAI Office System

Description	2020	2019	2018
Total Offices of PERISAI	1.575	2.172	836
Total Agents of PERISAI	4.694	7.453	3.593

Realization of the PERISAI Agent and PERISAI Office by Region

Regional Office	2020				2019	
	PERISAI Office		PERISAI Agent		PERISAI Office	PERISAI Agent
	Total	%	Total	%		
Northern part of Sumatra	118	7,49	393	8,37	128	684
Southern part of Sumatra	88	5,59	278	5,92	148	666
DKI Jakarta	199	12,63	589	12,55	231	796
West Java	160	10,16	512	10,91	234	837
Central Java, DI Yogyakarta	210	13,33	680	14,49	285	1.154
East Java	213	13,52	589	12,55	309	967
Kalimantan	170	10,79	434	9,25	220	581
Sulawesi, Maluku	110	6,98	297	6,33	162	490
West Sumatra, Riau	118	7,49	421	8,97	163	583
Banten	85	5,40	234	4,99	128	386
Bali, Nusa Tenggara, Papua	104	6,60	267	5,69	110	309
Total	1.575	100,00	4.694	100,00	2.172	7.453

In 2020, PERISAI agents acquired 523,540 new members, and East Java recorded the largest new membership. The acquisition resulted in the total contribution membership of IDR205 billion.

Realisasi Akuisisi Kepesertaan Baru oleh PERISAI

Uraian	2020		2019	2018
	Total	%		
Pekerja Bukan Penerima Upah	332.956	63,60	401.156	289.738
UMKM	190.584	36,40	153.981	117.590
Total	523.540	100,00	555.497	407.328

Realisasi Akuisisi PERISAI Berdasarkan Wilayah Tahun 2020

Regional Office	Jumlah Peserta				
	BPU	%	UMKM	%	BPU + UMKM
Northern part of Sumatra	25.521	7,36	11.621	7,43	37.142
Southern part of Sumatra	18.028	4,03	10.228	3,94	28.256
DKI Jakarta	47.727	12,05	18.686	14,79	66.413
West Java	24.891	7,70	45.681	11,26	70.572
Central Java, DI Yogyakarta	40.079	9,49	35.441	19,70	75.520
East Java	33.743	21,03	19.490	19,11	53.233
Kalimantan	24.492	7,46	8.716	6,10	33.208
Sulawesi, Maluku	28.526	4,70	8.724	1,97	37.250
West Sumatra, Riau	28.956	5,06	13.372	3,47	42.328
Banten	34.247	16,21	7.321	4,93	41.568
Bali, Nusa Tenggara, Papua	26.746	4,91	11.621	7,31	38.050
Total	332.956	100,00	190.584	100,00	523.540



Supports for Sustainable Development Goals [102-48][SDG 1]

The Agency contributes to the first and tenth goals of SDGs through PERISAI, and its tangible contribution is Reducing Poverty and Reducing Inequalities. In accordance with Metadata Summary of SDGs Indicators of the National Development Planning Agency (Bappenas), PERISAI helps the Government with equitably decent social security for Indonesian workers, not to mention the poorest and most vulnerable.

Inspiring Story



Prior to the current job as Perisai agent, I was the registration and payment aggregator of BPU contributions. Amid the COVID-19 pandemic, being a Perisai agent gives fortune for me as the bread winner for my family. I still work when others lose their jobs; indeed, I receive incentive from the membership acquisition and membership contributions.



a Perisai agent, I have to cope with tough challenges during the COVID-19 pandemic. The acquisition of new members and raising awareness of on-time contribution payments are among the two major challenges I have to thrive. To cope with such challenges, I make best use of social media and build good and intensive communication with the members. Although I have to make offline approach to the members, I comply with proper health protocols so that I keep myself and other safe.

Another appealing challenge is the dysfunction tourism in Bali, but other Perisai agents and I still witness some business that still function and make fortune. Never lose the spirit of giving social security and insurance for workers in Bali despite the COVID-19 wreaking havoc.

Acquisition as Always,
Asis
Perisai Bali Denpasar

► Review of Natural Capital in the Process of BPJS Ketenagakerjaan Value Creation

The review explains the Agency's performance of managing the use of energy for supporting operational activities in each of its offices. Also, it discloses the Agency's commitment to minimum waste and zero emission. The disclosure includes the explanation about Plaza BP Jamsostek to obtain the green building certification.

Energy Use [POJK51-6.d.3.a]

The energy use of electricity supply and fuel (BBM) support the office operation, thereby becoming the material topic. The disclosure covers the calculation of energy use, the Intensity of Energy Consumption in Jakarta-based headquarters, and efforts to actualize efficient energy consumption pursuant to the BoD Circular Number SE/05/042016. The 2020 energy use reached 9,300 GJ, lower than the 2019 energy use. On a periodical basis, the performance of energy management in the headquarters is evaluated by the BoD through the assessment of performance reporting and the KPI achievement. The evaluation showed the headquarters used energy efficiently. [103-1][103-2][103-3]

This report only discloses the calculation of energy use in Jakarta-based headquarters. We have yet to disclose the energy use in regional offices, branches, or such institutions other than BPJAMSOSTEK as subsidiaries, PERISAI, operational offices of PERISAI, and suppliers. The energy used in the headquarters sourced from electricity supplied by State Electricity Agency (PT Perusahaan Listrik Negara). [302-2]

The calculation of energy use in the headquarters is based on the electricity use during the reporting period and converted to Gigajoule. The total cost of 2020 electricity use amounted to IDR2,880,483,043. The assumption of electricity tariff for DKI Jakarta-based corporate office is IDR1,115/kWh, and therefore the electricity consumption reached 2,583,392.86 kWh equal to 9,300 GJ. [302-1]

In the reporting period, the total electricity use decreased by 367,205.96 kWh or 12.45% from the 2019 total electricity use. The decrease was attributed to the new normal of WFH to cut the number of employees working from the headquarters and decrease the electricity consumption. [302-4][POJK51-6.d.3.b]

Another factor to cut the electricity consumption was the BoD Circular Number SE/05/042016 on Energy Saving at Headquarters. In accordance with the circular, the Agency sets limit on the operational time for working equipment in the headquarters, Wisma Menteng, and the training and education center (Pusdiklat) Building. In 2020, the Agency carried out electricity-saving programs as following: [302-4][POJK51-6.d.3.b]

- Combining WFH and WFO during the COVID-19; and
- Reducing AC and electricity use for area implementing WFH system

To support the practices of energy saving, the Agency operated 7 units of shuttle buses, with the total loading capacities of 136 employees. The operation of shuttle busses cut down the use of cars or motorcycles and mitigated fuel consumption and gas emissions as well. Until the end of reporting period, we had yet to calculate the total amount of, energy consumption, energy efficiency, and decrease in greenhouse gas (GHG) emission promoted by the operation of shuttle buses.

The Agency had yet to calculate the amount of efficiency in energy consumption based on products and services, as well as efficiency in electricity consumption for running the IT system. The Agency's commitment to efficient energy is tangible contribution to control greenhouse gasses (GHG). [302-4][302-5]

Intensity of Energy Consumption [POJK51-6.d.3.a]

In 2020, Intensity of Energy Consumption (IKE) measured the efficiency level of electricity consumption in the Headquarters. IKE results from the total energy consumption in the reporting period divided by building area and is stated kWh/m² per year. The building of BPJS Ketenagakerjaan headquarters (HQ) is 14,599 m². Based on the calculation, IKE of the Headquarters in 2020 was as much as 177 kWh/m²/year or equal to 0.63703 GJ/m².

[302-3]

To refer to the regulation of DKI Jakarta Governor Number 38 Year of 2021 on Green Building, the calculation showed that the headquarters IKE in 2020 met the IKE standard for Green Building for Office Building Category. The regulation states the IKE standard for Green Office Building is 210 kWh/m²/year for lower limit and 285 kWh/m²/year for upper limit with operational time reference of 10 hours/day, 5 days/week.

Ecofriendly Materials and Waste Management/Effluent

In general, the Agency's operational activities use no hazardous and poisonous (B3) materials. For administrative matters, some of operational activities still use eco-friendly papers. The Agency is committed to reducing paper use by running IT-based services and administration. [POJK51-6.d.2]

Another the curb on paper use, the IT-based operation allows the members to access and administer services at ease and reduces the use of vehicles for operational activities, thereby cut fuel consumption and gas emission in light of millions of members it has.

During the reporting period, the operational activities generated such waste as used electronic equipment. Pursuant to the regulation of inventory, the used equipment was managed and stored. With regard to non-B3 waste, the Agency had it recycled by the third party. Effluent generated from domestic activities in the Headquarters was processed using wastewater treatment system managed and by the office building management who also recorded the volume of effluent. During the reporting period, there was no spillage of effluent or other materials.



Green Building Certification of Plaza BP Jamsostek

On January 8, 2021, the Agency launched Plaza BP Jamsostek Building in Kuningan, Jakarta. Since its initial construction in the end of May 2017, Plaza BP Jamsostek achieved Gold category of green building certification by the Green Building Council Indonesia (GBCI). The certification certifies the Building of Plaza BP Jamsostek has met the criteria of ecofriendly building from its

initial planning, construction, to the active operation. For the maintenance, the building management should take into practices such aspects as protection, efficiency in human resource, maintain quality and sufficient air flow, as well as tenant healthy wellbeing according to sustainable guidelines. Likewise, the operation of Plaza BP Jamsostek Building encourages other companies, particularly the building tenants to carry out sustainable principles in their operational activities.

Supports for Sustainable Development Goals (SDGs) [SDG 7]



Direct participation in the construction and management of Plaza BP Jamsostek building has won the “Gold” category of green building certificate. The achievement is a tangible contribution to the seventh sustainable development goal, namely Clean and Affordable Energy. Pursuant to the Metadata Summary of SDGs Indicators by the National Development Planning Agency (Bappenas), the green and eco-friendly building of Plaza BP Jamsostek supports the Government's efforts to accomplish the target of improvement in energy efficiency as the building uses energy efficiently.



► Review of Intellectual Capital in the Process of BPJS Ketenagakerjaan Value Creation

The review evaluates the Agency's performance of developing IT-based operation to boost the number of memberships, improve services, and optimize investments derived from managed funds. According to the material topic, the disclosure includes the members' confidential information.

Supports for Digitalized Processes

The Agency runs IT-based operational system to ensure smooth administration of social security and insurance for Indonesian workers. Regardless of the technical and operational benefits, its operation had the Agency to face challenges as following:

1. Greater number of memberships

Digitalization is capable of boost the membership number of Non-Wage Recipient Workers (BPU). Until the reporting period, the new BPU membership was 8.42% of 48.64 million members. The digitalization allows BPU workers to register and administer membership and pay contributions at ease;

2. Improvement in benefits and services to the members

Digitalization accelerates the quality services to members. During the reporting period, the claim process settled within 5 to 10 days, with the total capacity of 2.5 million service per year. Digitalization is crucial in light of the broader coverage of Job Loss Security (JKP), the additional benefits of JKK Program in form of scholarship grant, and periodical JP claims;

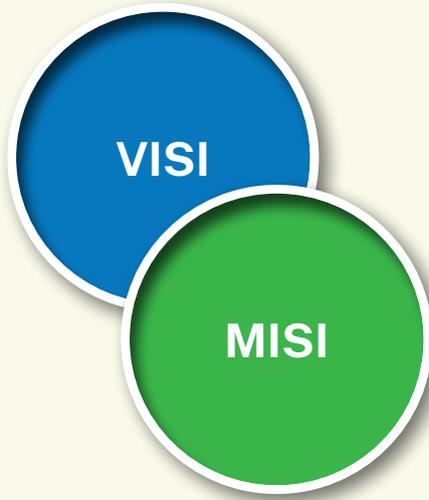
3. Optimizing investment of managed fund

Digitalization improves the governance of managed-fund investment and simplifies the monitoring of potential risks reducing high returns.

To support digitalization, the Agency has IT vision and mission, IT development roadmap drafted by the Directorate of Strategic Planning & Information Technology. Under the roadmap, the 2020 IT development targeted to achieve Leading Business Innovation as the Agency implemented three strategic programs as following:

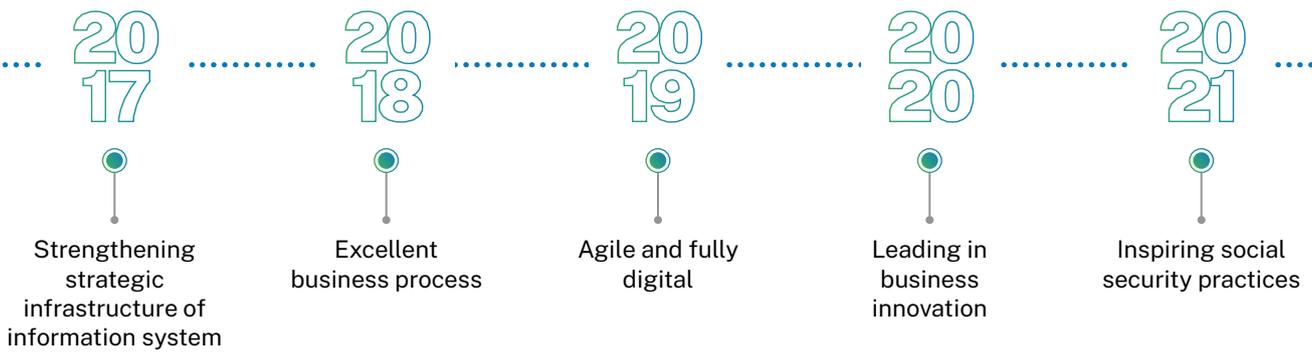
- ISO 20000: IT Service Management and ISO 270002: Information Security Management System for SIPP, SSO, EPS, and PERISAI services. Until the reporting period, there were two additional application services, while the existing 32 certified applications are categorized into core system (SMILE) services, human-resource management services, operational supporting services, the membership management services, and BPJS Ketenagakerjaan program benefit services.
- Until the reporting period, the full automotion included 172 apps of additional features in the core system, dashboard development, bug-fixing finishing, and improvement in other applications.
- In 2020, BPJS Ketenagakerjaan improved IT security system through precautionary system and early detection from hacking, and cooperation with the National Cyber and Encryption Agency (BSSN) for implementing Honey pot system, Digital Signature, and IT security testing.

TI sebagai partner dan *accelerator* dalam menciptakan keunggulan operasional dan layanan untuk menjadi kebanggaan bangsa.



- *Customer Experience*: TI meningkatkan pengalaman peserta melalui layanan yang komprehensif dan *seamless*.
- *Service*: TI mendukung penerapan otomatisasi layanan untuk menciptakan *Service Excellence*.
- *Empowerment*: TI mendorong partisipasi dan peningkatan kinerja karyawan.
- *Data Driven*: TI mendukung proses pengambilan keputusan berbasis data.
- *Accountability*: TI mendukung akuntabilitas BPJS Ketenagakerjaan sebagai institusi yang berpegang pada prinsip tata Kelola yang baik.
- *Efficiency*: TI mendukung efisiensi pada proses operasional bisnis badan.

IT Roadmap of BPJS Ketenagakerjaan



Application Development [POJK51-2.6.F.1]

Also, the Agency developed such applications as core operation system and core support system. Until the 2020 reporting period, the Agency developed 18 apps for internal use supporting business operation and other apps to support external use. The 2020 developed apps were as following:

IT Products and Apps of BPJS Ketenagakerjaan Launched in 2020



Internal Apps

- Development of SIDIA App (Digital Information System for Archives and Correspondents)
- Development of Account Centralization App
- Development of e-Approval to support Work from Home (WFH) Policy
- Development of Dashboard Mobile App (Membership and Services)
- Development of Online Attendance App
- Development of Grievance Monitoring Information System
- Digital Signature Implementation
- Development of SiHandal (SMILE in Your Hand) App
- Development of Sisdiklat (Training & Education Data Information System) Apps
- Development of Financial Dashboard
- Investment Dashboard and Exist Dashboard

External Apps

- Service Without Physical Contact (Lapak Asik)
- Development of SIPP (Membership Reporting Information System) Lite App
- Digital Card Implementation
- Claim Tracking Implementation
- Development of Property Investment Management
- Development of e-Procurement App
- Development of LSP (Profession Certification Institution) App

11

Internal

Total

7

External

Confidential Membership Data

The private data confidentiality is crucial to membership management and becomes the material topic in the reporting. The disclosure covers information of operational offices while complying with the regulations of private data security, including the Laws on Information and Electronic Transactions. On a periodical basis, the Agency evaluates the security of membership data through the assessment of key performance indicator (KPI) achievement. [103-1][103-2][103-3]

The filing of membership data is carried out at the Headquarters and branches where the members register their membership. The membership data filed includes physical and digital data. The hard physical data is stored using manual filing, while the digital data is stored in the database. The Agency consistently upgrades the facilities for storing the membership data and maintains the membership data confidential. Gradually, the Agency transfers physical data storage into digital database to improve the data security.

The Agency considers the membership data security crucial so that the data is accessible only by related parties, thereby preventing data misuse and leakage. The Agency implements the management of information security system pursuant to ISO 27001:2013 to ensure the management of information security complies with the international best practices.

Until the end of reporting period in 2020, the Agency received no grievance of data leakage or misuse and ensured no indications of data leakage in face of the years-ago leakage of residence data. [418-1][POJK 51 6.f.2]

On internal basis, the Agency evaluated the security for external applications launched and accessible to public. In 2020, the Agency evaluated 63 external applications. In similar manner, it upgraded the security of membership data through cooperation with institutions and parties with expertise in data security. The cooperation covered the development of hardware and software supporting the security of data membership. [POJK51-6.f.2]

Likewise, the Agency educated members about the importance of keeping their data secure and confidential, not to mention the dissemination of fake apps using the credibility of BPJS Ketenagakerjaan. In the reporting period, the Agency filed a number of fake apps to the court.

► Review of Social Capital in the Process of BPJS Ketenagakerjaan Value Creation

The review covers the Agency's performance of expanding the membership coverage in order ensure the sustainability of social security and employment insurance. In accordance with the material topic, the disclosure included services of safety and health assurance for members, marketing and labeling, and indirect economic impacts.

Targets and Realization of Membership

[IR-4F 4.31][IR-4F 4.32][103-2][103-3]

The growing number of the 2020 membership was attributable to the COVID-19 so that the Agency revised the potential membership as stated in the 2017-2021 Strategic Plans. The Agency set the 2020 membership target of 29,500,000 members or 101.63% of 27,485,088 Indonesian Wage Recipient (PU) workers

as projected by the Ministry of National Development Planning (Bappenas). The remaining members are Non-Wage Recipient (BPU) workers and Construction Service (JP) workers. The total workers to be entitled for insurance and social security benefits from of BPJS Ketenagakerjaan in 2020 were 29,980,082 members.

Membership Segment/Potential (2017-2021)

Segment	2017	2018	2019	2020	2021
Wage Recipients	39.108.264	39.803.467	40.496.670	41.150.899	41.809.129
Construction Service	8.034.927	8.177.759	8.320.180	8.454.593	8.589.829
Non-Wage Recipients	40.713.189	41.436.923	42.158.574	42.839.651	43.524.893
Total	87.856.380	89.418.149	90.975.424	92.445.143	93.923.851

Target of Active Membership (2017-2021)

Segment	2017	2018	2019	2020*	2021*
Wage Recipients					
Sub Total	16.924.055	19.476.319	22.778.583	18.737.100	22.420.596
Other Segment					
Construction Services	7.481.859	7.755.584	8.033.829	6.849.100	9.350.000
Non-Wage Recipients	1.750.000	2.420.928	3.541.856	3.913.800	5.229.404
Sub Total	9.231.859	10.176.512	11.575.685	10.762.900	14.579.404
Total	26.155.914	29.652.831	34,354.268	29.500.000	37.000.000

*There is an adjustment to the 2020 and 2021 targets due to the COVID-19 pandemic.

The 2020 membership realization of Employers/Business Entities reached 638,678 workers or 94.30% of the target, and the realization of active membership of employee segment was as many as 29,980,082 people or 101.63% of the target. DKI Jakarta recorded the largest number of Employer/Business Entity membership as well as employee segment.

Target and Realization of Membership of BPJS Ketenagakerjaan (2020) Based on Segmentation

No	Segment	Total Members (2019)	Total Members (2020)		
			Target	Realization	%
1	Employer/Business Entity	681.429	725.000	638.678	94,30%
2	Total Members				
	Wage Recipient	40.605.917		40.136.100	
	Non Wage Recipient	3.081.787		3.039.107	
	Construction Service Worker	11.279.754		7.521.392	
	Total Members	54.967.458		50.696.599	
3	Active Member				
	Wage Recipient - Active	20.174.472	18.737.100	19.963.696	106,55%
	Non Wage Recipient - Active	2.712.031	3.913.800	2.494.994	63,75%
	Construction Service - Active	11.279.754	6.849.100	7.521.392	109,82%
	Total Active Members	34.166.257	29.500.000	29.980.082	101,63%
4	Inactive Member				
	Wage Recipient - Inactive	20.431.445		20.172.404	
	Non Wage Recipient - Inactive	369.756		544.113	
	Total Inactive Members	20.801.201		20.716.517	



Target and Realization of Membership of BPJS Ketenagakerjaan (2020) For Employers/Business Entities by Region

Region	Realization (2019)	2020			Realization %
		Target	Realization	%	
Northern part of Sumatra	57.475	61.208	53.951	88,14	7,89
Southern part of Sumatra	39.879	42.549	41.697	98,00	6,10
DKI Jakarta	128.663	136.625	111.855	81,87	16,36
West Java	68.819	72.836	70.324	96,55	10,29
Central Java, DI Yogyakarta	81.511	86.614	88.531	102,21	12,95
East Java	81.103	86.687	89.286	103,00	13,06
Kalimantan	44.122	47.038	44.197	93,96	6,46
Sulawesi, Maluku	61.489	65.849	63.682	96,71	9,31
West Sumatra, Riau	44.526	47.218	42.279	89,54	6,18
Banten	30.913	32.441	30.111	92,82	4,40
Bali, Nusa Tenggara, Papua	42.929	45.935	47.765	103,98	6,99
National	681.429	725.000	683.678	94,30	100,00

Target and Realization of Membership of BPJS Ketenagakerjaan (2020) For Workers by Region

Region	Realization (2019)	2020			Realization %
		Target	Realization	%	
Northern part of Sumatra	2.401.515	1.907.340	1.979.488	103,78	6,60
Southern part of Sumatra	2.224.049	2.107.131	2.562.481	121,61	8,55
DKI Jakarta	6.760.195	5.836.214	5.853.717	100,30	19,53
West Java	4.442.343	3.823.280	3.730.669	97,58	12,44
Central Java, DI Yogyakarta	3.643.621	3.107.670	3.036.173	97,70	10,13
East Java	3.545.545	3.037.729	3.104.623	102,20	10,36
Kalimantan	2.567.197	2.193.040	2.277.143	103,83	7,60
Sulawesi, Maluku	2.330.978	2.075.795	2.051.923	98,85	6,84
West Sumatra, Riau	2.326.876	1.992.344	1.965.833	98,67	6,56
Banten	2.047.791	1.819.075	1.805.320	99,24	6,02
Bali, Nusa Tenggara, Papua	1.876.147	1.600.382	1.612.712	100,77	5,38
National	34.166.257	29.500.000	29.980.082	101,63	100,00

The realization of increase in the 2020 Employer/Business Entity membership accounted 169,489 members or 94.17% of the target, with Central Java and DI Yogyakarta recording the largest increase of 12.65%, respectively. Meanwhile, the employee segment increased by 1,865,547 members of 112.04% of the target, with the largest increase of 13.99% in DKI Jakarta.

Target and Realization of Membership Expansion (2020) Based on Segmentation

Segment	Target (RKAT)	Realization	%
Increase in Employer/Business Entity Segment	180.000	169.498	94,17
Increase in Wage Recipient			
• Old-Age Security (JHT)	4.632.681	4.845.287	104,59
• Employment Injury Security (JKK)	6.663.000	7.465.760	112,05
• Death Security (JKM)	6.663.000	7.465.760	112,05
• Pension Security (JP)	3.523.325	3.684.408	104,57
• Construction Service	5.319.800	6.473.165	121,68
• Total Increases in Wage Recipient	11.982.800	13.938.925	116,32
Increase in Non Wage Recipient			
• Old-Age Security (JHT)	284.483	238.363	83,79
• Employment Injury Security (JKK)	3.517.200	3.426.622	97,42
• Death Security (JKM)	3.517.200	3.426.622	97,42
• Total Increase in Non Wage Recipient	3.517.200	3.426.622	97,42
Total Increases in Worker Segment	15.500.000	17.365.547	112,04

Realization of Growth and Membership Expansion (2020) For Employers/Business Entities by Region

Region	2019		2020		Growth 2019-2020
	Realization	Total	Realization	Total	
Northern part of Sumatra	28.271	57.475	20.877	53.951	(6,13)
Southern part of Sumatra	16.279	39.879	12.092	41.697	4,56
DKI Jakarta	55.756	128.663	17.417	111.855	(13,06)
West Java	22.866	68.819	15.140	70.324	(2,19)
Central Java, DI Yogyakarta	29.759	81.511	21.449	88.531	8,61
East Java	25.221	81.103	17.589	89.286	10,09
Kalimantan	18.828	44.122	14.546	44.197	0,17
Sulawesi, Maluku	21.406	61.489	18.178	63.682	3,57
West Sumatra, Riau	17.467	44.526	12.459	42.279	(5,05)
Banten	13.918	30.913	7.220	30.111	(2,59)
Bali, Nusa Tenggara, Papua	14.210	42.929	12.531	47.765	11,27
National	263.981	681.429	169.498	683.678	0,33%

Realization of Growth and Membership Expansion (2020) For Workers by Region

Region	2019		2020		Growth 2019-2020
	Realization	Total	Realization	Total	
Northern part of Sumatra	1.924.987	2.401.515	1.497.473	1.979.488	(17,57)
Southern part of Sumatra	1.594.410	2.224.049	1.993.897	2.562.481	15,22
DKI Jakarta	3.692.760	6.760.195	2.429.690	5.853.717	(13,41)
West Java	2.733.782	4.442.343	1.804.430	3.730.669	(16,02)
Central Java, DI Yogyakarta	2.993.146	3.643.621	1.780.109	3.036.173	(16,67)
East Java	2.555.663	3.545.545	1.800.698	3.104.623	(12,44)
Kalimantan	1.851.893	2.567.197	1.407.400	2.277.143	(11,30)
Sulawesi, Maluku	1.683.337	2.330.978	1.348.362	2.051.923	(11,97)
West Sumatra, Riau	1.645.716	2.326.876	1.262.851	1.965.833	(15,52)
Banten	1.334.397	2.047.791	953.532	1.805.320	(11,84)
Bali, Nusa Tenggara, Papua	1.292.358	1.876.147	1.087.105	1.612.712	(14,04)
National	23.302.449	34.166.257	17.365.547	29.980.082	(0,01)

Regarding Indonesian migrant workers (PMI) and foreign workers (TKA), there was no significant increase in the membership due to the COVID-19 lockdown policies to ban migrant workers from entering Indonesia. Also, Indonesia set the limit on the number of foreign workers in the country. Regardless of the policies, the number of TKA membership in 2020 reached 146,139 workers, increasing by 85% from the 2019 membership.

Total Members of BPJS Ketenagakerjaan (2020) For Indonesian Migrant Workers by Region

Region	Membership Expansion		Total Active Members	
	Number	%	Number	%
Northern part of Sumatra	6.537	9,34	34.647	9,20
Southern part of Sumatra	1.249	1,78	5.069	1,35
DKI Jakarta	28.761	41,09	155.047	41,17
West Java	11.183	15,98	60.365	16,03
Central Java, DI Yogyakarta	6.094	8,71	29.889	7,94
East Java	11.476	16,40	66.352	17,62
Kalimantan	92	0,13	636	0,17
Sulawesi, Maluku	38	0,05	50	0,01
West Sumatra, Riau	592	0,85	4.881	1,30
Banten	1.418	2,03	8.501	2,26
Bali, Nusa Tenggara, Papua	2.556	3,65	11.164	2,96
National	69.996	100,00	376.601	100,00



Total Members of BPJS Ketenagakerjaan (2020) For Foreign Workers by Region

Region	Active Members		Inactive Members		Total Members
	Total	%	Total	%	
Northern part of Sumatra	1.016	1,16	896	1,53	1.912
Southern part of Sumatra	1.189	1,36	2.049	3,49	3.238
DKI Jakarta	30.764	35,16	25.413	43,34	56.177
West Java	18.888	21,59	6.327	10,79	25.215
Central Java, DI Yogyakarta	5.160	5,90	2.309	3,94	7.469
East Java	3.549	4,06	2.584	4,41	6.133
Kalimantan	3.168	3,62	1.455	2,48	4.623
Sulawesi, Maluku	8.553	9,77	4.711	8,03	13.264
West Sumatra, Riau	3.657	4,18	3.438	5,86	7.095
Banten	5.960	6,81	3.616	6,17	9.576
Bali, Nusa Tenggara, Papua	5.600	6,40	5.837	9,95	11.437
National	87.504	100,00	58.635	100,00	146.139

Challenges and Solutions to Membership Expansion

[IR-4D 4.24][IR-4D 4.25]

The COVID-19 pandemic is the major challenge to hamper the 2020 membership. The economic and business dysfunction triggered business collapse and massive lay-off (PHK). To cope with such challenges, the Agency rolled out solutions as following:

- Robust relationship and active dissemination to the Government (K/L), entrepreneurs, and workers to build engagement & compliance;
- Dissemination of Paritrana Award to boost engagement of BPJS Ketenagakerjaan, while functioning as the main pillar for expanding membership coverage, and, improve collaboration with the governmental institution with respect to the mission of Membership Trilogy: Acquisition, Sustainability, and Quality (ASQ);
- Office visit by the head of branches to settle partial registered company (PDS) case and maintain contribution payment;
- Maintain the sustainability and acquisition of Non ASN membership;
- The relaxed contribution as a strategy for boosting TK acquisition, maintaining active TK, and creating opportunity for settling unpaid contributions;
- Training for PERISAI to optimize its performance, and dissemination of new regulations amid pandemic;
- Giving incentive for PERISAI agents who get new members during the implementation of relaxed contribution;
- The program of Wage Subsidy (BSU) from the Government as one of supporting factors for expanding membership acquisition and improving the compliance with contribution payment;
- Community strategy through empowering community, namely horizontal community (in accordance with the dominant industry sector) and vertical communication (in accordance with 3 tiers: branch/representative/subsidiary (First Tiers), partner/vendor (Second Tiers) and trained community and CSR (Tiers 3).

The efforts to expand membership in 2020 faced a number of other challenges, and the Agency rolled out policies to cope with the challenges.

Challenge	Solution
Economic conditions and the COVID-19 pandemic have caused problems in membership expansion.	<ul style="list-style-type: none"> Government Regulation (PP) No.49 Year 2020 regarding the policy for relaxation of contributions during the COVID-19 pandemic.
Maintaining the sustainability of PERISAI fostered participants during the COVID-19 pandemic.	<ul style="list-style-type: none"> PP No.49 Year 2020 regarding the policy for relaxation of contributions during the COVID-19 pandemic.
Improving PERISAI performance during the COVID-19 Pandemic.	<ul style="list-style-type: none"> Providing additional acquisition incentives during the contribution relaxation period, as a substitute for the reduced contribution incentives due to the contribution relaxation policy.
BPJS Ketenagakerjaan brand awareness is still low, compared to another BPJS.	<ul style="list-style-type: none"> Changing the name of the Agency to: Call Us BPJAMSOSTEK, to make it easier for the public to remember BPJS Ketenagakerjaan, as well as distinguish it from similar entity. Continuous efforts to disseminate, educate, and advocate through various media and collaboration with all stakeholders to provide an understanding of the importance of the workers social security program and the risks that must be borne by the Employer/Business Entity if they do not register their workers in the workers social security program.
Programs of BPJS Ketenagakerjaan has not yet been determined as a strategic program for the Government so that the level of awareness is not optimal.	Synergy and collaboration to increase awareness and compliance through an Integrated Team with the Indonesian Ministry of Manpower, Provincial Manpower Office, and Labor Unions/Employers Association.
A number of Employers/Business Entities have not yet complied to provide employment social security protection to workers.	The BPJS Ketenagakerjaan Supervision and Examination Officers cooperate with the authorities to enforce the law, namely with the Auction Services of the Ministry of Finance, Manpower Local Offices, and the Prosecutor's Office cq Jamdatun/Kasidatun as State Lawyers in legal proceedings against companies that have not included their workers in BPJS Ketenagakerjaan membership.
Informal workers' low ability to pay contributions, despite their large potential for BPJS Ketenagakerjaan membership.	<ul style="list-style-type: none"> GN Lingkaran, as a means for the community or companies to donate and help pay contributions for independent workers who are unable to pay BPJS Ketenagakerjaan contributions, in order to get employment injury security and death security at work. Government initiatives and supports are needed to allocate the Contribution Assistance Recipient (PBI) budget to vulnerable workers, as is the case in BPJS Kesehatan.
The COVID-19 pandemic has affected many sectors, resulting in a decline in the number of active manpower.	<ul style="list-style-type: none"> Wage Subsidy Program (BSU) from the Government as one of the supporting factors for increasing membership acquisition and increasing compliance in paying contributions. Relaxation of contribution program as a strategy to increase worker acquisition, maintain active workers, and create opportunities for employers/business entities for settling unpaid contributions. Strengthening relationships & dissemination to the Government (K/L), employers, and workers aimed at building engagement & compliance.

In 2020, the Agency set a number of strategic policies to support the membership expansion, acquiring supports from regional government and corporations through the event of Paritrana Awards and National Movement for Supporting the Protection of Vulnerable Workers (GN Lingkaran).

Paritrana Award and Supports from Regional Government

In 2017, the Government through The Coordinating Ministry for Human Development and Culture (PMK) in cooperation with BPJS Ketenagakerjaan initiated Paritrana Award. The Award gives appreciation to the regional government and corporation to implement the practices of social security and insurance for their workers. In 2020, there were 492 participants in the event of Paritrana Awards. The number of participants increased by 35% from the 2019 participants. The participants were 34 province government, 124 district government, 143 large-cap companies, 157 middle scale companies, and 34 small, micro, and medium enterprises (UMKM).

GN Lingkaran and Supports for Vulnerable Workers Inclusion [POJK51-6.c.1]

Launched in 2016, GN Lingkaran accommodates donation from public or companies, and the donation support Non-Wage Recipient (BPU) Workers to pay their membership contribution. The donation is given for certain period of time.

In 2020, the Program of GN Lingkaran recorded 17 donors with the total donation of Rp6,465,649,760, decreasing by 58.95% from the 2019 total donation. Meanwhile, DKI Jakarta recorded the largest number of donors with the largest donation. In 2020, there were 155,395 BPU workers to received donation, and the number decreased by 204,582 workers or 56.83% from the 2019 number.

Realization of GN Lingkaran Program

Description	2020	2019*	2018*
Number of Donors	17	44	39
Total Donation (IDR)	6.465.649.760	17.238.890.400	10.227.621.600
Number of Informal Workers Receiving Donation	155.396	359.978	166.068

* restatement

Total Donors of BPJS Ketenagakerjaan Membership Contribution Through GN Lingkaran Program by Region

Region	2020		2019*	2018*
	Total	%		
Northern part of Sumatra	-	0,00	-	-
Southern part of Sumatra	-	0,00	2	-
DKI Jakarta	15	88,24	32	37
West Java	1	5,88	1	-
Central Java, DI Yogyakarta	-	0,00	-	-
East Java	-	0,00	1	-
Kalimantan	-	0,00	-	-
Sulawesi, Maluku	1	5,88	5	1
West Sumatra, Riau	-	0,00	1	1
Banten	-	0,00	-	-
Bali, Nusa Tenggara, Papua	-	0,00	2	-
National	17	100,00	44	39

* restatement

Total Donation of BPJS Ketenagakerjaan Membership Contribution Through GN Lingkaran Program by Region

Region	2020		2019	2018
	Total	%		
Northern part of Sumatra	151.053.672	2,34	761.342.400	576.172.800
Southern part of Sumatra	102.312.000	1,58	604.800.000	151.200.000
DKI Jakarta	2.675.602.688	41,38	4.531.992.000	1.858.550.400
West Java	1.465.291.464	22,66	1.849.730.400	2.642.673.600
Central Java, DI Yogyakarta	344.499.120	5,33	796.320.000	705.600.000
East Java	339.777.648	5,26	2.141.496.000	1.120.039.200
Kalimantan	266.863.800	4,13	408.290.400	201.600.000
Sulawesi, Maluku	76.256.544	1,18	1.760.001.600	100.800.000
West Sumatra, Riau	419.181.336	6,48	957.600.000	2.058.840.000
Banten	624.811.488	9,66	504.000.000	643.305.600
Bali, Nusa Tenggara, Papua	-	0,00	2.923.317.600	168.840.000
National	6.465.649.760	100,00	17.238.890.400	10.227.621.600

Number and Composition of Informal Workers Receiving Donation for Membership Contribution of BPJS Ketenagakerjaan Through GN Lingkaran Program

Sector	2020		2019	2018
	Total	%		
Transportation	-	0,00	15.655	2.435
Trade	37.319	24,02	134.632	58.982
Farming	3.971	2,56	34.441	20.736
Fishery and Maritime	7.723	4,97	28.179	9.655
Labors	10.592	6,82	78.274	32.603
Education	-	0,00	21.917	36.294
COVID-19 Volunteers	95.791	61,64	-	-
Total	155.396	100,00	359.978	166.068

Number of Informal Workers Receiving Donation for Membership Contribution of BPJS Ketenagakerjaan Through GN Lingkaran Program by Region

Region	2020		2019	2018
	Total	%		
Northern part of Sumatra	3.000	1,93	15.106	11.432
Southern part of Sumatra	3.000	1,93	12.000	3.100
DKI Jakarta	62.888	40,47	87.230	29.883
West Java	33.347	21,46	36.701	32.837
Central Java, DI Yogyakarta	7.423	4,78	15.800	14.000
East Java	7.698	4,95	42.490	19.223
Kalimantan	7.825	5,04	8.101	4.000
Sulawesi, Maluku	2.236	1,44	49.881	2.000
West Sumatra, Riau	10.258	6,60	19.000	38.850
Banten	17.721	11,40	10.000	8.882
Bali, Nusa Tenggara, Papua	-	0,00	63.669	3.350
National	155.396	100,00	359.978	166.068



Supports for Sustainable Development Goals (SDGs) [102-48][SDG 1]

GN Lingkaran contributes to the first goal of SDGS, namely No Poverty. Pursuant to Metadata Summary of SDGs Indicators of the Ministry of National Development Plan, GN Lingkaran supports the Government for achieving proportion indicators of members of Social Security Program. For workers, the payment on membership contribution give social security and insurance against social risks exposing to poverty.

Inspiring Story



In 2020, Bank BJB continued to participate in the GN Lingkaran program with a total donation contribution of IDR2.5 billion. The donation was allocated to protect 60,015 vulnerable workers spread across West Java, DKI Jakarta, and Banten.

The Number of Deactivated Members

During 2020, there were 21,551,722 workers deactivated their membership of BPJS Ketenagakerjaan. Workers from the construction service segment constituted the largest number (47.47%). Several reasons underlining the membership deactivation were:

1. The end of employment contract, resignation, retirement, leaving Indonesia, paralyzed, death, and incapable of paying contributions.
2. Lay-off (PHK)
3. Outsourcing-based contract, civil servants (ASN), and other workforce sectors such as plantation, garment, and mining.

Number of Deactivated Membership of BPJS Ketenagakerjaan (2020)

Membership Segment	Total	Percentage
Wage Recipients	7.676.536	35,62
Non-Wage Recipients	3.643.659	16,91
Construction Workers	10.231.527	47,47
Total	21.551.722	100,00

Safety and Health Insurance for Members

The material topic of health and safety insurance for members is the adjustment to the material topic of occupational health and safety (OHS) of GRI Standard. The Agency's efforts to expand the membership covers the health and safety insurance against Occupational Diseases (PAK) diseases worsened by COVID-19. Information covers all operational offices pursuant to the Laws of Social Security Agency and the President Regulation (PP) Number 7 Year of 2019 on Occupational Diseases (PAK). On a periodical basis, the BoD evaluates the practices of social security and insurance for workers through the assessment of KPI.

The members of BPJS Ketenagakerjaan are workers who are at risks of OHS, and the Agency is committed to providing insurance to its members through JKK Program to cover accident risks occurring at round-trip working travel, working places, and business trip.

In accordance with the President Regulation (PP) of the Republic of Indonesia Number 7 Year of 2019 on Occupational Diseases (PAK), COVID-19 can be categorized as PAK because the diseases are caused by the working exposure amid the contagious virus shock. The workers suffering from occupational diseases due to the COVID-19 are the recipients of benefits of JKK Program according to the Laws. Based of the Circular of the Ministry of Manpower of Number M/8/HK.04/V/2020, the Agency provides social security and insurance for workers to suffer from occupational diseases due to the virus shock. The insurance covers as following:

1. Medical and healthcare workers, including medical staff and healthcare staff who treat and cure patients in hospitals, health facilities, and/or other premise for treating/curing patients of COVID-19 infection as set by the Government.
2. Healthcare supporting staff in hospitals, health facilities, and/or other premises for treating/curing patients of COVID-19 infection, facing the risk of being exposed to the COVID 19 in the working environment.

3. Volunteers to include health workers and non-health workers whose jobs are containing the COVID-19 infection.

Until the end of 2020, there were 90,646 working injury claims, and the number decreased by 92,189 claims or a 50.42% decrease from 182,835 claims in 2019. The amount of paid claims reached IDR1,566 billion, decreasing by 0.14% from IDR1,576.69 billion in 2019. The increase in claims included occupational diseases (PAK) due to COVID-19.

[POJK51-6.c.1]

Numbers of Claim for JKK Program

Type of Claim	2020		2019	2018
	Total	%		
Functional Disability	2.605	3	3.072	4.458
Partially Disabled	2.715	3	2.984	4.232
Permanent Total Disability	9	0	35	32
Death	2.515	3	3.172	3.400
Recovery	82.802	91	173.572	161.293
Total	90.646	100,00	182.835	173.415

The Agency better improved its services to support health and safety insurance to members, including promotion and prevention activities during 2020. Some of the activities were as following:

- Supports for annual activities to commemorate the national occupational health and safety (K3) on January 12th to February 12th. The Agency to commemorate the 2020 National K3 donated 6,400 personal protective equipment (APD) to health facilities, 615,000 facial masks, 13,580 nutritious staple food, 3,000 package of multivitamins for workers, and installing 100 posters of COVID-19 precaution. Besides, the Agency donated 5,500 helms, 1,857 personal protective equipment (APD)

construction companies, and K3 training for 55 public participants.

- Free health checking to members for commemorating National Customer Day (Halpelnas) on September 4th. The activities were in collaboration with its health facility providers and carried out in 126 branch offices of BPJS Ketenagakerjaan.
- The Agency gave membership cards to 5,613 Indonesian health workers who join in Nusantara Sehat team. They get social security insurance programs of JKK and JKM. The insurance to health workers include the round-trip working travel.



Information of other activities is accessible on <https://www.bpjsketenagakerjaan.go.id/>.



Supports for Sustainability Development Goals (SDGs) [102-48] [SDG 8]

The health and safety insurance for workers becomes the Agency's contribution to the eight goal of SDGs, namely Proper Work and Economic Growth. According to the SDGS Indicator Summary Metadata of the National Development Planning Agency, the Agency's efforts were part of supports for achieving its mission of protecting workers' rights and promoting safety workforces for all workers, including those who are exposed to hazardous occupation. The Agency actively supports companies to implement K3, expand the membership of social security and insurance to all Indonesian and migrant workers.

Inspiring Story

On March 31, 2021, the Agency handed over compensation of IDR1.3 billion to the three heirs of the members. They were doctors and nurses who died due to occupational diseases caused by COVID-19 infection. The benefits received consist of compensation for JHT, JP, periodic compensation, funeral compensation, and compensation for death due to work-related accidents.



According to data from the Ministry of Health until February 2021, there were 90 cases of healthcare workers participating in BPJAMSOSTEK who died caused by COVID-19 infection, while 18 cases were classified as occupational diseases with a total benefit of IDR5.9 billion.

Marketing and Labeling

The expansion of membership coverage was also influenced by the dissemination and education of workers social security and protection programs to stakeholders, so that marketing and labeling determined as material topic of reporting. Dissemination and education activities were carried out in all operational offices through various media, including information technology. The activities carried out were periodically evaluated by the Board of Directors through the mechanism for assessing key performance indicators (KPI), and compliance with regulations including Law No.24 Year 2011 concerning Social Security Agency, Law No.8 Year 1999 concerning Consumer Protection, Law No.25 Year 2009 concerning Public Services, as well as Law No.19 Year 2016 in conjunction with Law No.11 Year 2008 concerning Information and Electronic

Transactions. From the results of the evaluation, there were no dissemination and education activities suspected of violating the prevailing regulations. [103-1] [103-2][103-3]

The Agency actively carries out dissemination and education to deliver information, consultation, and grievances against the social security and insurance programs. In the reporting period, the activities were performed online due to the COVID-19 pandemic. Also, the Agency provided information services and grievance through website <https://www.bpjsketenagakerjaan.go.id/>, Contact Center 175 Tanya BPJAMSOSTEK, BPJSTKU playstore app, and app managed by the government institution such as lapor.go.id. [417-1]

In 2020, BPJS Ketenagakerjaan received 1,238,433 interactions from members or public in form of demand for information, consultation, or grievances through official online channel. Based on the used channels, most of interactions were conveyed through inbound call by 59.73%. Based on the type of interactions, the request for information constituted the largest number by 53.34% and grievance by 45.48%. A

number of interactions disclosed through social media were grievance against less accordance membership information and social security programs administered. During the reporting period, no grievances against discrepancy information of membership or social security programs were recorded. [417-2][417-3][418-1][POJK 51 6.c.3.b]

Recapitulation of Interactions for Information Request

No	Channel	2020		2019*	2018*
		Total	%		
1	Inbound Call	739.716	59,73	786.629	622.112
2	Social Media				
	Facebook	131.589	10,63	169.919	164.612
	Twitter	11.114	0,90	17.181	24.629
3	Email	149.446	12,07	195.203	116.143
4	BPJSTKU (Playstore)	35.087	2,83	30.338	65.102
5	Outbound Call	25.182	2,03	88.335	5.399
6	Whatsapp (PMI)	50.549	4,08	52.370	4.361
7	Livechat	89.768	7,25	-	-
8	Portal Lapor.go.id	5.415	0,44	4.711	3.536
9	Jivochat (PMI)	181	0,01	4.176	5.765
10	Direct Complaint	293	0,02	97	76
11	Letter Complaint	7	0,00	85	14
12	Whatsapp Business (Pilot Project 2020)	86	0,01	-	-
Total		1.238.433	100,00%	1.349.044	1.011.749

*restatement

Based on the interaction data, the Agency managed dan settled 563,263 grievances, and 41.89% of the total grievances were related to the programs. The responses to all grievances had re-delivered to the members.

Total & Percentage of Member Interactions to Grievance Channels (2020)

Total Grievances	Program		General		Status	
	Number	%	Number	%	Resolved	%
563.263	235.970	41,89	327.293	58,11	563.263	100

Total & Percentage of Member Interactions to Grievance Channels (2020) By Program

Total Grievances	JHT		JKK		JKM		JP	
	Number	%	Number	%	Number	%	Number	%
235.970	234.593	99,42	230	0,10	524	0,22	623	0,26



Supports for Sustainability Development Goals (SDGs) [SDG 16]

The Agency's commitment to information services and interaction access to the members or public supports the sixteenth goal of SDGs, namely Peace, Justice, and Robust Organization. Pursuant to SDGs Indicator Summary Metadata of the Agency of National Development Plan, the Agency's efforts provide the public with information access and protect the basic freedom according to the national regulations and international agreement. BPJAMSOSTEK as the public legal entity has performed its responsibility as stated in the Laws Number 14 Year of 2008 on the Public Information Disclosure. The efforts of BPJAMSOSTEK to settle each interaction showed its commitment to the settlement of public information dispute through mediation and/or non-litigation.

Members' Satisfaction Level

Annually, the Agency performs e-survey to find out members' satisfaction level and practices of prime services in accordance with Service Blue Print. The 2020 e-survey practice involved 956,508 members as respondents, and the results of the e-survey are stated in the following tabulation. [POJK 51 6.f.5]

Member Satisfaction Level

Year	Not Satisfied	Less Satisfied	Fairly Satisfied	Satisfied	Very Satisfied	Total
2020	1.873	1.687	10.492	111.669	830.787	956.508
	0,20%	0,18%	1,10%	11,67%	86,86%	100%
2019	2.489	2.143	9.544	127.061	1.125.765	1.267.002
	0,20%	0,17%	0,75%	10,03%	88,85%	100%
2018	5.561	4.289	35.755	249.837	1.004.180	1.297.622
	0,43%	0,33%	2,60%	19,25%	77,39%	100%

Also, the Agency hires the independent party to measure Customer Satisfaction Index (CSI), and the 2020 CSI and Net Promoter Score were at 92.8%, decreasing from 95.5% in 2019. For Net Promoter Score of 29.31%, decreasing from 57.6% in 2019.

Other survey to measure the Agency's service level and the members or public's acknowledgement over BPJS Ketenagakerjaan. In 2020, the Agency achieved the brand equity of 87.2% of the target of 83.0%.

Results of Customer Satisfaction Index Provided by Independent Party

Program	2020	2019	2018
Employment Injury Security	93,5%	97,1%	92,4%
Old-Age Security	86,4%	95,3%	92,9%
Death Security	79,5%	97,4%	96,5%
Pension Security	81,7%	95,4%	96,8%
Membership Administration	-	-	95,0%
Hospital Administration	-	-	94,4%

Indirect Economic Impacts

The Agency's operational activities brings indirect benefits to the public or stakeholders so that it becomes the material topic. The information disclosure covers the operational offices to subsume 4 Program Pillars of Environmental and Social Responsibility (TSJL) pursuant to PERDIR/17/082018. The total realization of the Agency's CSER fund in 2020 amounted to IDR1.22 billion. Periodically, the performance of social responsibility is evaluated by the BoD through the mechanism of assessment, reporting, and fulfillment of KPI. The results of the evaluation showed that in the reporting period, the practices of social responsibilities

had supported the efforts to achieve SDGs. [103-1][103-2] [103-3]

Donation for Public Infrastructure Development

[203-1] [203-2] [POJK51-6.c.3.a.]

Through CSER practices, the Agency grants pro bono donation to develop public infrastructure facilities near to Headquarters, regional offices, and official branches. In 2020, the Agency donated IDR1.14 billion to the public, and the donation was used to build Public Green Space.

Distribution of Public Infrastructure Development Fund

Type of Infrastructure	Donation (IDR)			
	Public Park and Green Open Space		2019	2018
	Total	%		
Educational Facilities	1.143.968.002	100	399.486.752	16.745.965.075
Other Public Facilities	0	0	1.594.562.500	2.661.331.200
Total	0	0	215.000.000	354.262.358
Fasilitas Umum Lain	0	0	519.305.000	1.170.815.000
Total	1.143.968.002	100,00	2.728.354.252	20.932.373.633



Economic Empowerment [203-2]

The Agency also actively empowers the public's economic resilience through the donation in form of business capital. The beneficiaries are UMKM entrepreneurs operations of which are near to the Agency's regional offices or official branches. In 2020, the Agency did not grant business capital to the small, micro, and middle enterprises (UMKM) or education aid in the program of Jembatan Kepedulian

In the reporting period, the Agency continued Vocational Program "Indonesia Bekerja". The program is a corporation with the Vocational Training Institution (LPK), Training and Course Institution (LKP), and Profession Certification Institution, and Training Center (BLK), and other similar institutions with permit from the Ministry of Manpower.

The training participants were the members of BPJS Ketenagakerjaan. They were no longer working due to lay-off or the employment termination. There were three training schemes, namely skilling for participants with no skills; upskilling for improving skills, and reskilling for participants looking for new skills.

In 2020, the Agency targeted to train 20,000 laid-off workers, with the realization to reach 3,448 workers. They received the vocational training consisting varied training modules. There were 5 types of training preferred most by the participants, and they were forklift operator (13.92%), digital marketing (11.89%), office for business (6.84%), graphic design (6.41%), and security training (3.94%).

Supports for Environmental Conservation

CSER activities to sustain the environmental conservation in 2020 were carried out through 'go green' action run by the employees as volunteers. the reporting period, there were a number activities carried out:

- The campaign to reduce plastic was carried out by distributing ecofriendly bags. The campaign involved the Agency's operational offices and targeted the public who used plastic bag. The campaign was expected to raise public awareness on the use of ecofriendly bags, thereby reducing the plastic waste. Another to ecofriendly bags, a number of branches also gave 500 stainless straws to replace plastic straws.

Participants of Vocational Program "Indonesia Bekerja" (2020) Based on Region

Region	Number of Trainings	Percentage
Northern part of Sumatra	33	13
Southern part of Sumatra	57	14
DKI Jakarta	16	6
West Java	7	4
Central Java, DI Yogyakarta	24	15
East Java	13	5
Kalimantan	21	6
Sulawesi, Maluku	10	6
West Sumatra, Riau	34	14
Banten	39	10
Bali, Nusa Tenggara, Papua	11	7
Total	265	100



- Other activities were planting trees and mangrove, the activity of tree planting was carried out in the public green open space in residential areas, park, critical land near to regional offices or branches. In a number of branches, the planting activities were centered in villages whose administrators were the members of BPJAMSOSTEK, as an appreciation by the Agency. The mangrove planting was carried out in coastal in Mangrove Tourist Area Belawan Sicanang, North Sumatra. In 2020, there were 5,000 mangrove trees planted in Mangrove Tourist Area of Belawan Sicanang, North Sumatra. The activities of planting trees or mangrove involved the regional government and locals so that they will conserve the planted trees.

[POJK51-2.b.4] [POJK51-6.e.3.b]



Procurement and Partnership [102-9][203-2]

The Agency also involves local companies/business entities in its goods and services supply chains established in headquarters, regional offices, or official branches. The local companies/business entities involved are located in areas where the Agency's regional offices/official branches are located, while the working partners/local vendors certainly provide employment for the surrounding locals. In 2020, there were 436 vendors to supply goods and services, with the largest number of 365 or 83.03% were vendors at the Branches, with the procurement contract of IDR65.730 million or 18.83% of the total procurement contract.

Procurement Contract Value of Goods and Services (IDR)

Working Unit	2020		2019	2018
	Total	%		
Headquarters	278.476.966.883	79,80	466.306.903.886	276.283.416.943
Regional Offices	4.783.227.371	1,37	8.834.063.682	21.909.514.694
Branches	65.730.240.363	18,83	47.389.407.362	95.544.946.693
Total	348.990.434.617	100,00	522.530.374.930	393.737.878.329

Number of Vendors/Suppliers of Goods and Services (IDR)

Working Unit	2020		2019	2018
	Total	%		
Headquarters	54	12,39	100	100
Regional Offices	20	4,59	12	31
Branches	362	83,03	93	280
Total	436	100,00	205	411

Benefits of Additional Services: Financing for Members' Housing

BPJS Ketenagakerjaan gives additional service benefits in the form of housing finance for workers. The facilities are eligible for members with more than one-year membership term. The distribution of MLT is in form of housing loans and pursuant to the Regulation of Ministry of Manpower Number 35 Year of 2016. Until the end of 2020, the financing realization of workers' houses reached 87 units with the total distributed fund of IDR16.70 billion.

Realization of Housing Finance for Workers

Type	Total Beneficiaries			
	2020		2019	2018
	Total	%		
Home Loan	87	100	384	1.316
House Renovation Loan	-	-	14	69
Asset-Backed Securities	-	-	1.741	1.504
Total	87	100,00	2.139	2.889

Realization of Housing Finance for Workers

Type	Fund Distributed (IDR million)			
	2020		2019	2018
	Total	%		
Home Loan	16.704,69	100	98.264,74	359.088,48
House Renovation Loan	-	-	506,00	3.443,00
Asset-Backed Securities	-	-	200.000,00	253.000,00
Total	16.704,69	100,00	298.770,74	615.531,48

The housing finance for workers also brings indirect benefits for the surrounding locals because of its labor-intensive characteristics.



Supports for Sustainability Development Goals (SDGs) [SDG 16]

The indirect economic benefits from the Agency's business operation becomes supports for SDGs. Pursuant to Metadata Summary of SDG Indicator of the Agency of National Development Plan, donation for infrastructure, donation for business capital empowering the public, and valued-added benefits support the achievement of the First Goal of SDG, namely Poverty Alleviation, Healthy and Wealthy Living, and Quality Education.



COVID-19 Donation

During the reporting period, the Agency gave COVID relief donation to varied parties and recorded data of workers who received masks, hand sanitizer, personal protective equipment (APD), and free launch for online ojek. The data documentation helped workers to get better social insurance amid the COVID-19. Until the end of 2020, the realization of COVID relief reached IDR947,575,000.

Likewise, the Agency gave donation COVID-19 working units in areas across Indonesia. In, Tana Toraja District, the Agency donated four disinfectant sprays, 100 package of staples, dairy, and multivitamins. Similarly, the Agency donated rice to regional government in cities across Indonesia so that the donation could be distributed to workers or labor hit hardest by the COVID-19. The donation were SBD, medical and non-medical masks, disinfectant, and hand sanitizer.

Type and Volume of COVID-19 Donation by BPJS Ketenagakerjaan

Item List	Volume	Beneficiary
N95 mask	1,180 pieces	Indonesian migrant workers in Hong Kong
3 ply face mask	8,000 pieces	
Hand sanitizer	720 bottles	
3 ply face mask	20,000 pieces	Indonesian migrant workers in South Korea
3 ply face mask	24,000 pieces	Indonesian migrant workers in Taiwan
3 ply face mask	10,000 pieces	Indonesian workers
Hand sanitizer	10,000 bottles	
3 ply face mask	10,000 pieces	Indonesian migrant workers in Brunei
Free lunch	15,000 package	Online 'ojek' drivers

During the reporting period, BPJS Ketenagakerjaan carried out various promotive and preventive activities for workers. The Agency comprehensively donated IDR12,590,635,000 for the COVID-19 relief measures, training in occupational health and safety, and prevention of work-related injury.

Promotive Preventive Activities in 2020

Activity	Donation	Total	Realization (IDR)
COVID-19 Relief	Personal Protection Equipment (PPE) for Work Accident Service Center	6,400 units	3,840,000,000
	Cloth face mask for workers	615,000 pieces	3,690,000,000
	Nutrition for workers	13,570 packages	1,375,000,000
	COVID-19 information on posters	100 units	715,000,000
	Multivitamin for workers	3,000 pieces	369,000,000
	National seminar	3,000 participants	315,585,000
OHS Training	General OHS training	55 participants	770,000,000
Prevention of Work-Related Accident	Motorbike Helmet	5,500 units	877,800,000
	PPE for Construction Workers	1,875 units	656,250,000
Total			12,590,635,000

Payment on Scholarship for Heirs of the Members

As of 1 April 2021, the Agency exercised the Regulation of the Ministry of Manpower of the Republic Indonesia (Permenaker) Number 5 Year of 2021 on Governance of JKK, JKM, and JHT Programs. The Permenaker regulates the technical practices of the expansion of JKK, JKM, and JHT benefits, including the payment on scholarships to the heirs of the members.

Based on the Regulation, the scholarships were granted to the heirs of the members whose occupations are highly exposed to death risks, and/or paralyzed injury. The scholarship was given to 2 heirs of the members, with the maximum amount of IDR174 million given from the kindergarten to undergraduate degree. The

scholarship criteria are unemployed, single, under 23 years old.

On April 21, 2021, the Agency held the event of scholarship donation to the heirs of the members. The events were simultaneously carried out in all provinces in Indonesia. The scholarship donation presented the country's protection over the equal education for Indonesia's future generation.

Overall, there were 10,451 heirs to receive the scholarship, and the Agency spent IDR115.64 billion on the scholarship to be distributed gradually and settle in the first week of May 2021.



► 2021 Projections and Prospects [IR-4G 4.35] [IR-4G 4.37]

The projection of performance achievement in 2021 is pursuant to the 2017-2021 Strategic Plans of “Kebanggaan Bangsa” (National Pride). According to the projection, in 2021 BPJS Ketenagakerjaan will be the Agency which workers, companies, and the country are proud of with respect to its capability of equitably providing social security to all Indonesian workers.

Amid the challenges of COVID-19 pandemic and the ongoing economic recovery, the Agency endeavors to actualize the projection through its strategic policies. Among the policies are improvement in membership,

benefits, services to all stakeholders so that the Agency represents the Government’s protection for all Indonesian workers with social security and insurance.

The prospect and sustainability of the Agency in providing social security and insurance to workers bank on the national economic growth and the increase in the number of workers. Entering 2021, the national economic recovery gave positive impacts on the growth of national economy albeit the COVID-19 devastating impacts. The positive impacts were seen in the national macroeconomic assumption.

National Macroeconomic Assumption

Economic Indicator	2017	2018	2019	2020	2021
Economic Growth (GDP)	5,30%	5,17%	5,03%	5,3%	4,5-5,5%
End of Period Inflation Rate (% Y on Y)	4,7%	3,13%	2,79%	3,1%	3,0%
7 Days Repo Rate	4,75%	4,75%	4,75%	5,4%	3,50%
End of Period Exchange Rate (IDR/USD)	13.300	13.800	14.200	14.000	14.600
End of Period IHSG	5.800	6.200	6.200	5.979	6.350
Deposit rate of Government Banks	7,25%	7,25%	7,25%	7,25%	7,29%

Source: Financial Notes and RAPBN RI 2018, Bank Indonesia (BI), Indonesia Stock Exchange, Bloomberg, Assumptions Portfolio Analysis Division

From the workforce aspects, based on the data of Statistics Indonesia (BPS) the number of workers per February 2021 were 139.81 workers, increasing 1.59 billion workers from the number in August 2020. There were 131.06 million active workers, increasing by 2.61 million people from the number in August 2020. Based on Statistics Indonesia (BPS), the Agency re-drafted the Roadmap of BPJS Ketenagakerjaan Social Security, the draft took consideration of a number of assumption adjusted to the activities of the Agency as the provider of social security for Indonesian workers.

Roadmap of Social Security by BPJS Ketenagakerjaan

Year	Workforce	Active Workers	Roadmap of Social Security by BPJS Ketenagakerjaan		
			Wage Recipients	Construction Workers	Non-Wage Recipients
2017	127.146.821	120.026.599	39.108.264	8.034.927	40.713.189
2018	129.133.445	122.160.239	39.803.467	8.177.759	41.436.923
2019	131.105.209	124.287.738	40.496.670	8.320.180	42.158.574
2020	133.082.848	126.295.623	41.150.899	8.454.593	42.839.651
2021	135.069.249	128.315.787	41.809.129	8.589.829	43.524.893

Source: Bappenas

The Agency's efforts to expand the membership in 2021 faced with COVID-19 challenges to spike unemployment. Statistics Indonesia (BPS) reported the number of employment in February 2021 reached 8.75 million people, increasing by 1.82 million people on an annual basis from 6.93 million people in February 2020 and decreasing by 7.07% from 9.77 million people in August.

Another challenge was the category of informal workers, belonging to Non-Wage Recipients (BPU). Overall, the number of informal workers were 59.62% of the total of Indonesian workforce. The 2020 acquisition of BPU was hampered by the setback in smooth registering and payment access, the setback left the acquisition minimal.

However, with the excellent performance of the 2017-2021 Strategic Plans, the Agency innovates to boosting the membership acquisition at the optimal manner. Generally, the efforts were carried out through strengthening the organization capacity and strategic partnership. A number of take-into-practice policies were:

- The implementation of Government Regulation (PP) Number 49 Year of 2020 on Relaxed Contributions during the COVID-19 pandemic.
- Providing additional acquisition incentive during the activation of relaxed contributions. The incentive was the compensation for the decrease in contribution incentive due to the measure of relaxed contributions.
- Optimizing digital-based virtual services of Pelayanan Tanpa Kontak Fisik (Lapak Asik) launched in 2020. Lapak Asik eliminates physical contact between BPJS Ketenagakerjaan's employees and members with respect to COVID-19 safety regulation.
- Including members to receive paid claims of JHT Program as one-year BPU members for JKK and JKM Programs. This policy maintains membership and provides decent social security and insurance to laid-off workers prior to their returning to workforce.
- Optimizing the synergy and collaboration with the Ministries/Institutions, and other parties on boosting membership.
- Maintaining the collaboration of data use with the Government Institutions (Directorate General of Population and Civil Registration, Directorate General of Tax, Ministry of Manpower, and BPJS Kesehatan).
- Extending channels for registering and re-payment through online merchant or agents.
- Implementation of the Regulation of the Minister of Manpower Number 10 Year of 2020 on the Adjustment to the Duration of Benefits of Pre-Working Social Security for Indonesia Migrant Workers during the COVID-19 pandemic.
- Raise awareness of the Regional Government to support social security program through Paritrana Award.
- Optimizing the role of PERISAI agents in term of membership acquisition and sustainability of membership and contributions.

Realisasi dan Proyeksi Kepesertaan BPJS Ketenagakerjaan

Tahun	Pekerja Penerima Upah	Pekerja Konstruksi	Pekerja Bukan Penerima Upah	Total
Realisasi Kepesertaan				
2017	16.068.453	8.459.410	1.714.169	26.242.032
2018	19.427.150	8.639.900	2.393.022	30.460.072
2019	20.174.472	11.279.754	2.712.031	34.166.257
2020	19.963.696	7.521.392	2.494.994	29.980.082
Proyeksi Kepesertaan				
2021	22.420.596	9.350.000	5.229.404	37.000.000

Perbandingan Realisasi dan Proyeksi Kepesertaan BPJS Ketenagakerjaan dengan Jumlah Penduduk Bekerja

Tahun	Jumlah Peserta Aktif	Jumlah Penduduk Bekerja	Persentase (%)
Realisasi Kepesertaan			
2017	26.242.032	87.856.380	29,97
2018	30.460.072	89.418.149	34,06
2019	34.166.257	90.957.424	37,55
2020	29.980.082	92.445.143	32,43
Proyeksi Kepesertaan			
2021	37.000.000	93.923.851	39,39

Projection of Membership and Contribution

The unprecedented duration of COVID-19 pandemic amid the continuous relief measures for the economic recovery affected the target of new membership acquisition. Entering 2021, the Agency targeted the acquisition of new memberships of 37 million members. The number grew by 23.42% from the 2020 realization, with the largest target of Wage Recipient (PU) workers. The target is underlined by the projection of economic recovery along with the decrease in unemployment and the massive COVID-19 relief measures rolled out by the Government.

Proyeksi Kepesertaan Aktif BPJS Ketenagakerjaan Tahun 2021

Uraian	Realisasi 2020	Proyeksi 2021	Pertumbuhan (%)
		RKAT	
Pemberi Kerja/Badan Usaha	683.678	876.811	28,25
Pekerja			
• Pekerja Penerima Upah	19.963.696	22.420.596	12,31
• Pekerja Jasa Konstruksi	7.521.392	9.350.000	(30,47)
• Pekerja Bukan Penerima Upah	2.494.994	5.229.404	274,75
• Jumlah Pekerja	29.980.082	37.000.000	23,42

Changes in the member projection inevitably influenced the 2021 proceeds from collected contributions. The amount of contributions were heavily dependable on the end of adjustment date of social security program for employers, PU workers, and BPU Workers during the COVID-19 pandemic under the Laws Number 49 Year

of 2020. The end of adjustment date was on January 31, 2021, and after the deadline, the contributions of social security insurance will back normal. Overall, the projection of received membership contribution in 2021 grew by 4.52% from the 2020 realization, with the largest contribution sourced from JHT Program.

Projection of Collected Membership Contribution Based on Segmentation (2021)

Description	Realization (2020)	Projection (2021)	Growth (%)
		RKAT	
Wage Recipients	72.782.301	75.366.000	3,55
Construction Workers	212.295	453.000	113,38
Total Wage Recipients	72.994.597	75.819.000	3,87
Non Wage Recipients	269.171	757.000	181,23
Total Membership Contributions	73.263.767	76.576.000	4,52

Note: in IDR billion

Projection of Collected Membership Contribution Based on Program (2021)

Description	Realization (2020)	Projection (2021)	Growth (%)
		RKAT	
Old-Age Security (JHT)	49.368.693	51.056.000	3,42
Employment Injury Security (JKK)	3.790.755	4.372.184	15,34
Death Security (JKM)	1.824.749	2.140.816	17,32
Pension Security (JP)	18.279.571	19.007.000	3,98
Total Membership Contributions	73.263.768	76.576.000	4,52

Note: in IDR billion

Projection of Managed Investment Fund

Based on the assumption of national economic growth according to the assumption of the macroeconomics stated in the State Budget Bill (RAPBN) 2021. The Agency, drafted the early projection of 2021 managed fund of IDR542 trillion. The number increased by 11.36% from the 2020 realization of IDR487 trillion. The Agency implemented the prudence and compliance with the regulation of managed investment fund policies.

Projection of Investment Fund (2021)

Program	Realization (2020)	Projection (2021)	Growth (%)
		RKAT	
• Old-Age Security (JHT)	340.751.086	372.494.486	9,32
• Employment Injury Security (JKK)	40.550.539	47.642.576	17,49
• Death Security (JKM)	14.653.163	16.341.981	11,53
• Pension Security (JP)	79.437.126	94.299.608	18,71
Total DJS Fund	475.391.914	530.778.651	11,65
BPJS Fund	11.666.954	11.628.645	(0,33)
Total Investment Fund	487.058.868	542.407.296	11,36

Note: in IDR billion

Projection of Investment Yield (2021)

Program	Realization (2020)	Projection (2021)	Growth (%)
		RKAT	
• Old-Age Security (JHT)	22.957.828	27.739.028	20,83
• Employment Injury Security (JKK)	2.940.571	2.823.927	(3,97)
• Death Security (JKM)	1.102.005	1.059.924	(3,82)
• Pension Security (JP)	4.505.411	5.003.027	11,04
Total Investment Yields of DJS Fund	31.505.815	36.625.906	16,25
Total Investment Yields of BPJS Fund	824.805	771.401	(6,47)
Total Investment Yields	32.330.620	37.397.307	15,67

Note: in IDR billion

Projection of Payment on Benefits

The impacts of COVID-19 and the ongoing economic recovery affected the number of claims. The Agency projected the 2021 payment on claims decreased by 4.27%. Another to the increasing claims compared to the 2020 claims, the increase in the payment on claims was

attributable also to the payment on scholarship for the heirs of the members in accordance with the Regulation of the Ministers of Manpower Number 5 Year of 2021 on the Governance of JKK, JKM, and JHT Programs.

Projection of Benefit Payment (2021)

Program	Realization (2020)	Projection (2021)	Growth (%)
		RKAT	
• Old-Age Security (JHT)	33.101.924	31.374.509	(5,22)
• Employment Injury Security (JKK)	1.556.943	1.696.746	8,98
• Death Security (JKM)	1.346.736	1.592.874	18,28
• Pension Security (JP)	439.871	224.079	(49,06)
Total Claims	36.445.474	34.888.208	(4,27)

Note: in IDR billion

► Amendments to Accounting Policies and Laws Significantly Affecting on BPJS Ketenagakerjaan

During the reporting period, a number of amendments to the Laws significantly impacted the business operation of BPJS Ketenagakerjaan.

New Regulation	Significant Impacts to the Agency
Presidential Regulation No.25 Year 2020 concerning Governance of the Social Security Agencies	<ul style="list-style-type: none"> - This regulation provides a mandate to build an integrated database between BPJS Ketenagakerjaan and BPJS Kesehatan. Bringing a positive influence with integrated data, it will make it easier for BPJS membership expansion activities. - However, in the construction of this database, BPJS Ketenagakerjaan must be able to prepare a fairly large budget.
Government Regulation No.49 Year 2020 concerning Adjustment of Contributions to the Workers Social Security Program During COVID-19 Outbreak	<ul style="list-style-type: none"> - This regulation provides a mandate, one of which is to postpone a portion of the Pension Security (JP) contribution, which implies that later there will be a fairly large dues debt from the employer to BPJS Ketenagakerjaan. - This dues payable may not necessarily be collected at once due to the large amount, and this can put pressure on the availability of funds owned by BPJS Ketenagakerjaan when it comes to paying the Pension Security. - This regulation also provides a reduction in the percentage of JKK and JKM contributions, which as a whole will have an impact on the overall reduction in revenue and greatly affect the BPJS Ketenagakerjaan Operational Fund.
Regulation of the Minister of Manpower No.14 Year 2020	<ul style="list-style-type: none"> - This Ministerial Regulation mandates BPJS Ketenagakerjaan to be able to provide data on mobile numbers and personal accounts of active workers who are obedient to paying contributions. - In practice, BPJS Ketenagakerjaan has to do a lot of validation because a lot of cellphone number and account data are not available or even inactive. This regulation gives a warning to BPJS Ketenagakerjaan to carry out data validation on an ongoing basis from time to time.
Regulation of the Minister of Manpower No.10 Year 2020 concerning Adjustment of Pre-Departure Protection Period of Social Security Benefits for Prospective Indonesian Migrant Workers During COVID-19 Outbreak	<ul style="list-style-type: none"> - This regulation mandates BPJS Ketenagakerjaan to adjust the pre-departure protection period which was previously 3 months to a maximum of up to 9 months without additional contributions, due to the closing of the borders of the Indonesian migrant workers' (PMI) destination country. - This policy has an impact on the resilience of social security funds if there are many claims from PMI in the period before the departure.

Amendments to the 2020 accounting policies had no direct or indirect impacts on BPJS Ketenagakerjaan.

Governance, Risk Management, Compliance, and Supervision

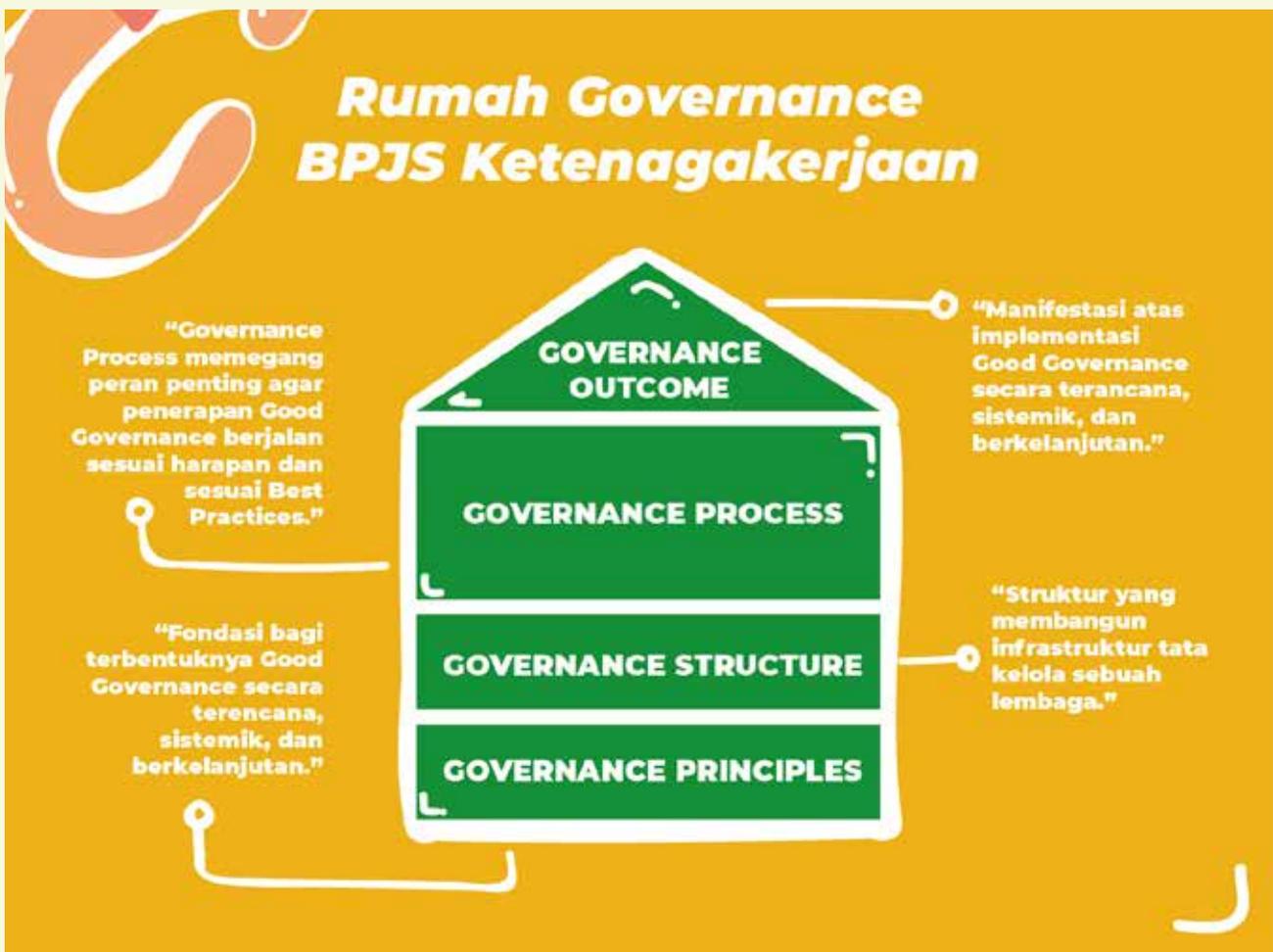


BPJS Ketenagakerjaan exercises good governance with optimizing four main pillars, namely governance, risk management, compliance, and supervision. The GCG practices aim to accelerate business success and accountability in order to actualize added value to the stakeholders.

The Agency implemented good governance (GG) through “Rumah Tata Kelola”, to subsume the principles of governance, governance structure, and governance process. The GG practices covers all processes and activities of social security and insurance for workers. To support the GG practices, the Agency

House of Governance

Final Result	Manifestation of the implementation of GG in a planned, systemic, and sustainable manner
Governance Process	Play an important role so that the implementation of GG runs according to expectations and best practices
Governance Structure	The structure that builds the governance infrastructure of an institution
Principles of Governance	The foundation for the formation of GG in a planned, systemic, and sustainable manner



drafted the 2019-2022 GG Practice Roadmap, to subsume the Governed (2019), Integrated (2020), Culture (2021), and Benchmark (2022).

Aspek-aspek GG BPJS Ketenagakerjaan

The GG practices cover all aspects of the activities and processes of implementing the Agency's social security and insurance for workers, namely: Compliance; Working Relations between the Board of Supervisors & the Board of Directors; Strategic Planning & Annual Work Plan and Budget (RKAT); Risk Management; HR Policy; Information Technology & Communication Infrastructure; Service Standards for Member; Financial Accounting; Investment Fund Management; and Internal Audit & Internal Control System.

Tata Kelola yang Baik BPJS Ketenagakerjaan



▶ Board Manual, Integrity Pact, and Code of Ethics

The Agency's governance is supported by internal guidelines, namely Board Manual, Integrity Pact, and Code of Ethics.

Board Manual

Board Manual is a guideline for the BoS and BoD so that they administer their major duties, functions, and authorities in harmonious by referring to the good governance principles. As the practices of Board Manual, the Agency has the Regulation of BoS and the Regulation of BoD on Major Duties, Functions, and Authorities deriving from the Laws Number 24 Year of 2011 on the Social Security Agency.

Goals of Board Manual

- Becoming the foundation of the practices of main duties and working functions related to ethic, right, and duties of each of functions;
- Improving quality and effectiveness of working relation inter-functions;
- Based on the good governance principles: Transparency, Accountability, Responsibility, Independency, Relevance, Predictable, Participance, and Dynamic.

Emphasis on Board Manual

- Basic Principles of BoS and BoD Relationship;
- Ethics for Officials;
- Join Meeting;
- Data and information access;
- Rights, duties, responsibilities, and prohibitions for BoS and BoD;
- Suggestions, advice, and consideration of BoS and BoD;
- Strategic Plans, working plans and annual budget;
- External audit;
- Reports to the President.

Integrity Pact

Each of members of BoS and BoD signed Integrity Pact to state their commitment to building integrity zone and zero corruption. The description of Integrity Pact is accessible on the Agency's website:

- [https://www.bpjsketenagakerjaan.go.id/assets/uploads/tiny_mce/GG/09112016_102339_PAKTA%20INTEGRITAS%20DEWAS%202016%20\(OKE\).pdf](https://www.bpjsketenagakerjaan.go.id/assets/uploads/tiny_mce/GG/09112016_102339_PAKTA%20INTEGRITAS%20DEWAS%202016%20(OKE).pdf);
- [https://www.bpjsketenagakerjaan.go.id/assets/uploads/tiny_mce/GG/09112016_102339_PAKTA%20INTEGRITAS%20DIREKSI%202016%20\(OKE\).pdf](https://www.bpjsketenagakerjaan.go.id/assets/uploads/tiny_mce/GG/09112016_102339_PAKTA%20INTEGRITAS%20DIREKSI%202016%20(OKE).pdf)

The code of ethics of BPJS Ketenagakerjaan is established based on the Regulation of the BoD of BPJS Ketenagakerjaan Number: PERDIR/103/092012 on the Code of Ethics of BPJS Ketenagakerjaan. The Code of Ethics is a group of shared norms or values as the standard of behavior based on the laws and working ethic. The code of ethics should be carried out by the BoD and the employees of the Agency.



The Code of Ethics comprises of the following points:

- Complying with the prevailing laws;
- Accountable documentation of all financial transactions;
- Preventing unhealthy competition;
- Exercising the given authority in accountable manner;
- Avoiding the involvement in decision making in case of conflict of interests;
- Calculating all possible negative impacts from policies on economy, social, and environment;
- Rejecting gratification;
- Avoiding irresponsible acts to ruin the credibility of BPJS Ketenagakerjaan.

- Best Culture Award, the annual event of human capital to find working units with the most creative, innovative cultural programs and give most contributions to the Agency's performance.
- Daily Motivational Message from BoD to contain values of BPJS Ketenagakerjaan in form of flyers distributed via whatsapp group or other media. It motivates employees and implements the Agency's values.

Every personnel of BPJS Ketenagakerjaan committed to breach prevailing ethic standard shall be imposed sanctions in accordance to the prevailing regulations and laws. Description of violation to Ethical Code of Conducts is elaborated in the chapter of Whistleblowing System, on page 166.

In the reporting period, the Agency carried out dissemination and awareness on Code of Ethics, as following: [POJK51-2.6.a]

- Dissemination through Strengthening Corporate Culture participated by BoD, BoS, Deputy of Area Directors in Learning Center of BPJS Ketenagakerjaan. The dissemination promotes the commitment to vision, mission, and cultural values of BPJS Ketenagakerjaan and presents BPJS Ketenagakerjaan as the role model.
- Human Capital Podcast containing inspiring talks with the leaders or talented employees promotes the values of BPJS Ketenagakerjaan.



Organization Structure and Governance

[102-18][102-23][102-48][IR-4B 4.9]



**Akuntan
Publik**

Independent Supervisory Agency

The authority to monitor and evaluate to ensure the implementation of social security programs, including the level of financial health of BPJS.



Board of Supervisors

It functions to supervise the implementation of BPJS Ketenagakerjaan operational activities by the Board of Directors and has duties to provide advice to the Board of Directors in the implementation of social security programs.

- Secretary to Board of Directors
- Committee of Budget, Audit, and Actuary
- Committee of Risk Management Monitoring & Information Technology
- Committee of Membership Expansion & Services
- Committee of Organization Performance & HR Management Policy

Risk Management System

Information Technology System



The President is in charge of appointing and dismissing the Board of Supervisors and the Board of Directors, and receive accountability reports from the Board of Supervisors and the Board of Directors



Assist the President in formulating general policies and synchronizing the implementation of the National Social Security System. A description of DJSN can be accessed on the web: <https://www.djsn.go.id/>.

Board of Directors

It functions to carry out the implementation of BPJS Ketenagakerjaan operational activities which ensure that participants receive benefits according to their rights.



- Committee of Good Governance
- Internal Supervisory Unit
- Deputy Director of Risk Management
- Deputy Director of Legal & Compliance

Internal Control System

Member Compliance Supervision
& Examination System

Once in a year, the BoS and BoD submit accountability reports to the President of Indonesia, and the reports disclose the evaluation of the BoS and BoD performance. [102-28]

The 2019 - 2022 GG Roadmap of BPJS Ketenagakerjaan

Indicator	2019	2020	2021	2022
	Governed	Integrated	Culture	Benchmark
GG Orientation	<ul style="list-style-type: none"> Infrastructure Review ISSA Model Assessment Gap Analysis 	<ul style="list-style-type: none"> Strong Infrastructure ISSA Recognition Strong GG Identity 	<ul style="list-style-type: none"> Ethic Governance Corporate Culture 	<ul style="list-style-type: none"> Benchmark Public Trust
Main Driver	<ul style="list-style-type: none"> Regulatory Driven Stakeholder Driven 	<ul style="list-style-type: none"> Stakeholder Driven Culture Driven 	<ul style="list-style-type: none"> Culture Driven Ethical Driven 	<ul style="list-style-type: none"> Ethical Driven
Main Indicator	<ul style="list-style-type: none"> Infrastructure Review Transparency & Disclosure (website update) Internal Stakeholder Engagement Governance Assessment Internal Governance Award 	<ul style="list-style-type: none"> Sustainability Performance Recognition in as ISSA Guidelines on Governance Stakeholder Engagement Governance Assessment Internal Governance Indicator to Support Business Process 	<ul style="list-style-type: none"> Governance Culture Transparency & Accountability Stakeholder Engagement Business Ethic Governance Assessment Internal Governance Indicator to Support Business Process 	<ul style="list-style-type: none"> Benchmark for other Institution Performance & Accountability Ethic Governance Public Recognition Governance Assessment Internal Governance Award

The Agency performs periodical assessment to measure the practice of good governance, and it consists of the assessment of institution and working units. The measurement standard complies with the Regulation of BoD Number PERDIR/39/092015 referring to the Decree of the State-Owned Enterprises Minister Number: SK-16/S.MBU/2021 and ISSA. From the 2020 assessment for measuring the practice of 2019 scored 95.94 with the Excellent qualification.

[102-28][IR-4B.4.9]

GG Assessment Results

Assessed Year	Year of Conducted Assessment	Score	Qualification
2019	2020	95,94	Excellent
2018	2019	95,75	Excellent
2017	2018	95,69	Excellent
2016	2017	95,54	Excellent

► Board of Supervisors

The members of Board of Supervisors are appointed for a 5-year official term and possible to be re-elected for another 5-year official term. The President of the Republic of Indonesia appoints members to represent the Government. Other members to respectively represent workers, employers, and the public are elected through an official selection whose the committee is selected by the President. The elected candidates for members of the BoS are reported to the President, and their candidacies are submitted to People's Representative Council (Dewan Perwakilan Rakyat, "DPR"). [102-24]

The members of BoS of 2016-2021 administration were appointed and approved under the Presidential Decree Number 25/P/Year of 2016 and the Presidential Decree Number 45/P Year of 2019 on Appointment of Interim Substitute for BoS' Members to represent the Government and run the 2016-2021 administration. During the drafting of this report, the President inaugurated new members of BoS based on the Presidential Decree 38/P Year of 2021 on Provision of Members of BoS and BoD of the Social Security Agency for the 2021-2026 administration. [102-22][102-23]

Members of the Board of Supervisors

2016-2021 Term of Office		2021-2026 Term of Office	
Guntur Witjaksono	Chairman	Muhammad Zuhri	Chairman
Eko Darwanto	Member	Kushari Suprianto	Member
Rekson Silaban	Member	H Yayat Syariful Hidayat	Member
M. Aditya Warman	Member	Agung Nugroho	Member
Inda D. Hasman	Member	Subchan Gatot	Member
Peompida Hidayatulloh	Member	M. Aditya Warman	Member
Puspita Wulandari	Member	M Iman Nuril Hidayat Budi Pinuji	Member

Each of members of BoS in compliance with the Regulation of BoS Number PER-03/DEWAS/092015 on BoS of BPJS Ketenagakerjaan's Conflict of

Interest Principles signed Integrity Pact to affirm its independency and disengagement from conflict of interest. [102-25][205-2]

Disclosure of Main Tasks, Functions, and Authorities of the Board of Supervisors [102-26] [POJK51-5.a]

Tasks of BoS

- To supervise management policies taken by the Agency and the performance of BoD;
- To supervise management and development practices of social security fund by BoD;
- To provide suggestion, advice, and recommendation to BoD pertaining to policy and management of the Agency;
- To submit a supervision report on social security management as part of the Agency's reporting to the President with copy sent to DJSN.

Authorities of BoS

- To approve Annual Work Plan and Budget (RKAT) of the Agency;
- To receive and/or ask report from BoD;
- To access data/information relating to the management of the Agency;
- To review data/information relating to the management of the Agency;
- To provide input & recommendations to the President with regard to the performance of BoD.

Supervisory function to the operation of BPJS Ketenagakerjaan by the Board of Directors (BoD)

<p>Joint Meeting, minimum once in a month, collaborating with BoD.</p>	<p>Board of Supervisors Meeting, min. three times in a month, consisting of internal meeting or joint meeting with Board of Directors and/or related working units.</p>	<p>Committee Meeting, held on weekly basis for in-depth discussion of a particular subject.</p>	<p>Work Visits to Regional Offices and/or Branch Offices to directly monitor the management of workers social security programs.</p>
<p>Total Joint Meetings: 16 Average attendance: 96%</p>	<p>Total BoS Meetings: 52 Average attendance: 80.71%</p>	<p>Total Committee Meetings: 304</p>	<p>Total unscheduled visits to branches: 105</p>

Task Division of BoS based on Committee

A number of Committee and Secretary to the BoS assist the BoS in performing its functions, duties, and authorities. The Committee was established in pursuant to the Regulation of BoD Number: PER/18/DEWAS/122020 on Practical Guidelines of Functions, Duties, and Authorities of the BoS of BPJS Ketenagakerjaan as it is amended with the Regulation of BoS Number PER-08/DEWAS/052016. Assessment of each committee performance is carried out through internal meeting. Based on the 2020 assessment, the BoS considered that the Committee showed good performance of settling all programs. [102-22]

Committee of Budget, Audit, and Actuary

The Chairperson and Deputy Chairperson of the Committee are appointed based on the Decree of the Board of Supervisors Number: KEP/10/DEWAS/052016.

The Committee's organizational structure is confirmed through the Decree of the Board of Supervisors Number: KEP/59/DEWAS/112019.

The Committee works in accordance with the Committee Charter established by the Decree of the Board of Supervisors Number: KEP/44/DEWAS/122016.

The tasks and responsibilities of the Committee are to assist the Board of Supervisors in reviewing the process of determining the Annual Work Plan and Budget (RKAT); approving the form and content of the publication of program management reports and annual financial reports; approving the appointment of public accountants and independent actuaries; and reviewing the process of preparing suggestions, advice, and recommendations to the Board of Directors.

During 2020, the Committee have conducted 42 meetings. The average attendance rate of BoS members is 39.68%, and the average attendance rate of Committee members is 94.98%.

During the reporting period, the Committee did not include members in skill development activities. [102-27]

Members of Committee

BoS Representatives

- Puspita Wulandari - Chairperson
- M. Aditya Warman - 1st Deputy Chairperson
- Poempida Hidayatulloh - 2nd Deputy Chairperson

Non-BoS Representatives

- 4 Senior Experts
- 2 Junior Experts
- 1 Administration Staff

Committee of Membership Expansion and Services

The Chairperson and Deputy Chairperson of the Committee are appointed based on the Decree of the Board of Supervisors Number: KEP/07/DEWAS/052016.

The Committee's organizational structure is confirmed through the Decree of the Board of Supervisors Number: PER/12/DEWAS/062017.

The Committee works in accordance with the Committee Charter established by the Decree of the Board of Supervisors Number: KEP/46/DEWAS/102016.

The tasks and responsibilities of the Committee are to assist the Board of Supervisors in assessing and ensuring the effectiveness of management policies, achievement of targets and performance related to membership expansion and services; reviewing the field of membership and services to determine the strategic plan, work plan and annual budget of the Agency; reviewing the process of preparing suggestions, advice, and recommendations of the Board of Supervisors to the Board of Directors; reviewing the preparation process for providing suggestions and recommendations on program management reports to the President and other relevant agencies, and other reviews related to the expansion of membership and services.

During 2020, the Committee have conducted 44 meetings. The average attendance rate of BoS members is 84%, and the average attendance rate of Committee members is 91%.

During the reporting period, the Committee did not include members in skill development activities. [102-27]

Members of Committee

BoS Representatives

- Rekson Silaban - Chairperson of Membership Expansion
- Eko Darwanto - Chairperson of Services
- Inda D. Hasman - Deputy Chairperson

Non-BoS Representatives

- 4 Senior Experts
- 2 Junior Experts
- 2 Administration Staff

Until the end of 2020, the BoS did not establish the Committee of Nomination and Remuneration. According to the Law No.24 Year of 2011, the selection process of members of BoS and BoD is carried out by the selection committee established by the Government. The remuneration provision of the BoS and BoD refers to the Presidential Regulation No.110 Year of 2013 by taking into consideration of the recommendation of the BoD to the President.

Committee of Organization Performance & HR Management Policy

The Chairperson and Deputy Chairperson of the Committee are appointed based on the Decree of the Board of Supervisors Number: KEP/08/DEWAS/052016.

The Committee's organizational structure is confirmed through the Decree of the Board of Supervisors Number: PER/12/DEWAS/062017.

The Committee works in accordance with the Committee Charter established by the Decree of the Board of Supervisors Number: KEP/47/DEWAS/122016.

The tasks and responsibilities of the Committee are to assist the Board of Supervisors in conducting review in the context of determining the Strategic Plan, Annual Work Plan and Budget (RKAT), monitoring the performance of the Board of Directors, supervising the management and development of social security funds; and reviewing the process of preparing suggestions, advice, and recommendations to the Board of Directors including recommendations to the President.

During 2020, the Committee have conducted 55 meetings. The average attendance rate of BoS members is 46%, and the average attendance rate of Committee members is 59%.

During the reporting period, the Committee assigned 5 members in skill development activities. [102-27]

Members of Committee

BoS Representatives

- Inda D. Hasman - Chairperson of Organization Performance Management Policy
- M. Aditya Warman - Chairperson of HR Management Policy
- Puspita Wulandari - Deputy Chairperson

Non-BoS Representatives

- 3 Senior Experts
- 1 Junior Expert
- 2 Administration Staff

Committee of Risk Management Monitoring and Information Technology

The Chairperson and Deputy Chairperson of the Committee are appointed based on the Decree of the Board of Supervisors Number: KEP/09/DEWAS/052016.

The Committee's organizational structure is confirmed through the Decree of the Board of Supervisors Number: KEP/58/DEWAS/112019.

The Committee works in accordance with the Committee Charter established by the Decree of the Board of Supervisors Number: KEP/45/DEWAS/122016.

The tasks and responsibilities of the Committee are to assist the Board of Supervisors in identifying the Agency's risks based on business processes; coordinating with the Deputy Director of Risk Management to ensure that the risks being mitigated are in accordance with priorities; monitoring and evaluating the follow-ups to risk control by the Board of Directors; preparing suggestions and recommendations to the Board of Supervisors regarding the implementation of Risk Management by the Board of Directors.

During 2020, the Committee have conducted 61 meetings. The average attendance rate of BoS members is 73%, and the average attendance rate of Committee members is 89%.

During the reporting period, the Committee did not include members in skill development activities. [102-27]

Members of Committee

BoS Representatives

- Poempida Hidayatulloh - Chairperson
- Eko Darwanto - 1st Deputy Chairperson
- Rekson Silaban - 2nd Deputy Chairperson

Non-BoS Representatives

- 3 Senior Experts
- 2 Junior Experts
- 1 Administration Staff

Secretary to Board of Supervisors



The Secretary to the BoS has tasks and responsibilities for carrying out administrative and secretarial activities in the duty scope of supervisory of BoS. Until the end of reporting period, Mr. Faizal Rachman is the Secretary to the BoD under the Decree of the BoD of BPJS Ketenagakerjaan Number KEP/85/032016 on the Provision of Officials of BPJS Ketenagakerjaan as of February 1st, 2016.

During 2020, Secretary to BoS participated in two activities to develop skill sets and competence.

Suggestion, Advice, and Recommendation

During the reporting period, the BoS gave 35 suggestions, advice as well as 35 approvals to the BoD. The BoS proceed further 47 reports or 78.3% of the total 60 reports received through Detection and Supervision System (SiDewas).

- Sending Memo of Deputy Director of Secretarial Department to all Deputy Director with the Number ME/239/092020 dated September 17th, 2020 on the Responses to the Follow-Up Progress of Suggestions, Advice, and Recommendations by BoS.

- Discussion at the BoS Meeting:
 - a. August 10, 2020 with the Agenda of Follow-Up Suggestions, Advice, and Recommendations of BoS.
 - b. September 21, 2020 with the Agenda of Updated Follow-Up of Suggestions, Advice, and Recommendations of the BoS.



► Board of Directors

The Board of Directors (BoD) is elected and terminated by the President; the members of the BoD hold a five-year administration subject of one-term administration. The election process of the BoD' members in compliance with Laws Number 24 Year of 2011 are performed by the establishment of selection committee whose the major duty takes fit and proper test into the practice of the ranked selection of the BoD's member. The President of the Republic of Indonesia will inaugurate the elected candidates. [102-24]

The Structure of BoD under the Laws Number 24 Year of 2011 is administered by the professionals. BPJS Ketenagakerjaan's BoD under the Presidential Decree (Keppres) Number 25/P Year of 2016 is comprised seven people, the 14.29% of which is women. During the drafting of this report, the President inaugurated the BoD BPJS Ketenagakerjaan for 2021-2026. The provision of new members of the BoD is under the Presidential Decree Number 38/P Year of 2021 on the Provision of the Members of Board of Supervisors and the Members of Board of Directors of Social Security and Insurance Agency for the 2021-2026 Administration. [102-22][102-23] [405-1]

Member of the Board of Directors

2016-2021 Term of Office		2021-2026 Term of Office	
Agus Susanto	President Director	Anggoro Eko Cahyo	President Director
Krishna Syarif	Director	Abdur Rahman Irsyadi	Director
Evi Afiatin	Director	Asep Rahmat Suwandha	Director
Enda Ilyas Lubis	Director	Edwin Ridwan, CFA, FRM	Director
Amran Nasution	Director	Pramudya Iriawan Buntoro	Director
Sumarjono	Director	Roswita Nilakurnia	Director
Naufal Mahfudz	Director	Zainudin	Director

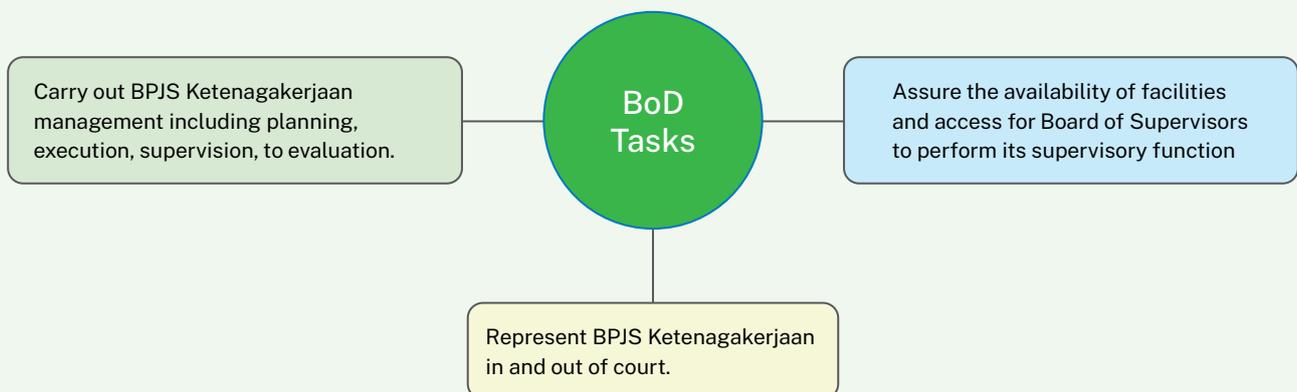
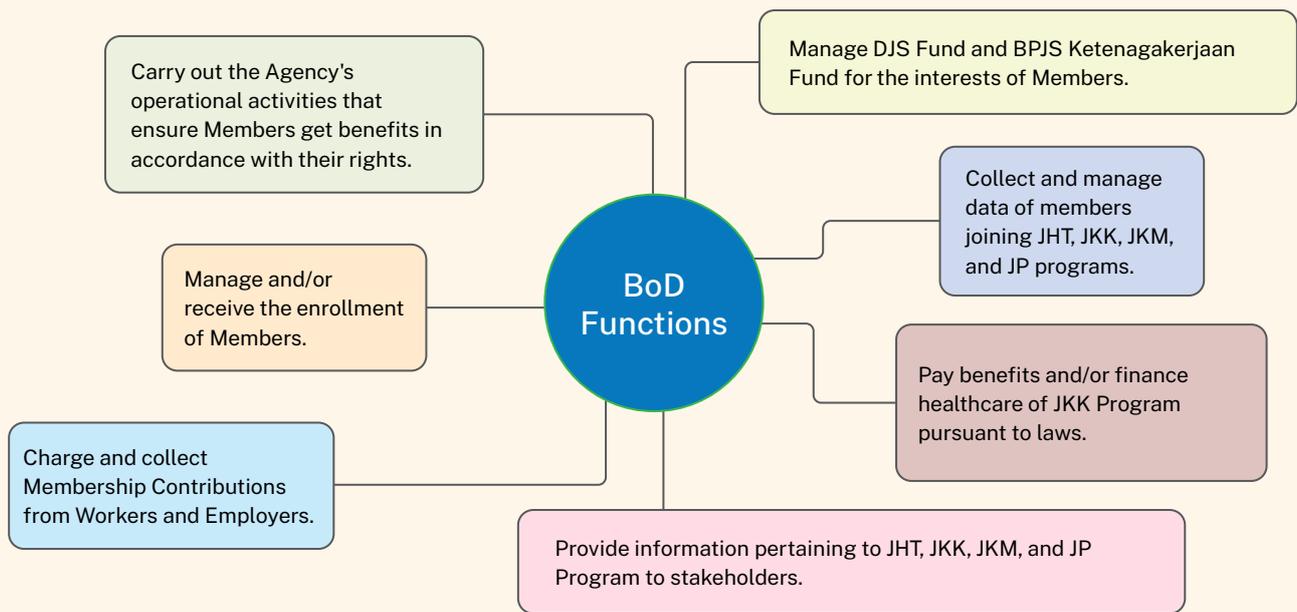
The tasks and responsibilities of the BoD are pursuant to the Regulation of BoD of BPJS Ketenagakerjaan No. PERDIR/22/082016 stipulating Guidelines on the Practices of Functions and Authorities of the BoD of BPJS Ketenagakerjaan. The BoD also complies with Board Manual to establish principles and governance to manage the Agency's activities. The explanation of Board Manual is accessible on: <https://www.bpjsketenagakerjaan.go.id/penerapan-tata-kelola.html>.

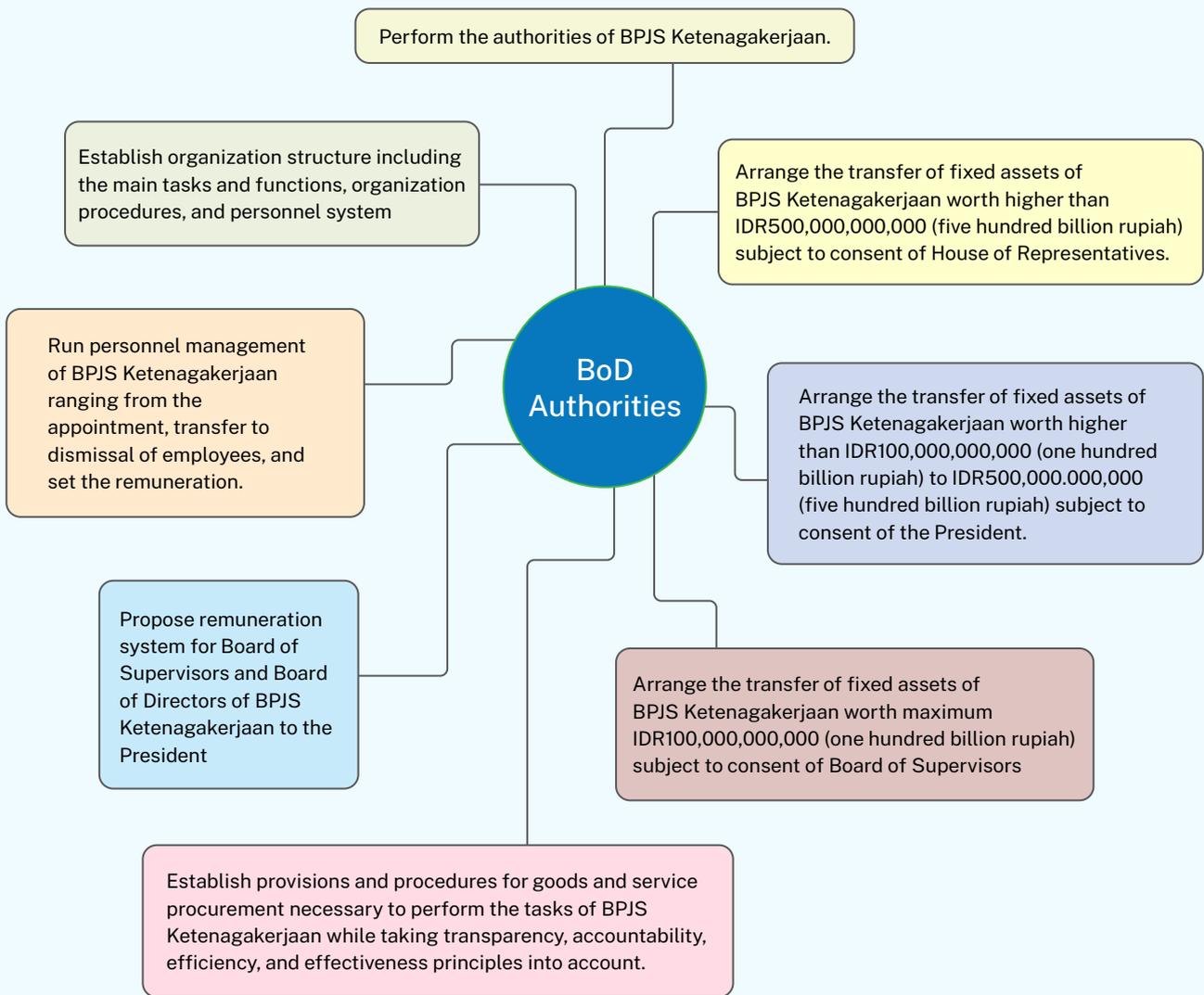
Each of the BoD's members should sign Integrity Pact: precautionary measures against corruption and standards of quality, effective, efficient, and accountable working ethics. The description of the Integrity Pact is accessible on the website.

Functions, Duties, and Authorities of BoD

[102-19] [102-20] [102-21] 102-26] [POJK51-5.a]

In compliance with the 2017-2021 Strategic Plans, the BoD manages its performance to accomplish its main goals: an 80% increase in PU worker membership and broaden services. The implementation of sustainability performance related to economic, social, and environmental aspects is the collective responsibility of the Board of Directors, and is delegated in accordance with the functions, tasks, and authorities of the President Director and each Director. Also, the Board of Directors communicates and dialogues with stakeholders to identify needs.





Scope of Duties and Responsibilities Held by the BoD

Based on the BoD Regulation No. PERDIR/22/082016, the Board of Directors divides the duties of each Director. The division of tasks is carried out in order to ensure the implementation and continuity of achieving the Agency's goals in a more systematic, efficient, and effective manner.



Agus Susanto
President Director

President Director has functions of planning, developing and setting general policies of BPJS Ketenagakerjaan based on prudence, effectiveness and efficiency principles, with reference to vision, missions, and goals of the Company; developing communication, internal supervision, institutional secretariat, compliance and legal affairs policies; and integrating various activities of working units to achieve operational harmony with the adopted strategies.

President Director has several tasks as follows:

- Plan, direct, develop and establish general policies and strategies for the management of BPJS Ketenagakerjaan in accordance with the vision, missions, and goals of the Agency.
- Control and evaluate all institutional activities and coordinate and consolidate the implementation of workers social security programs.
- Plan and establish public relation policy as well as inter-agency policy, secretariat affairs policy, and compliance and legal affairs policy.
- Set independent, objective, and professional Internal Supervisory Unit.
- Plan and set internal control system policy within BPJS Ketenagakerjaan.
- Direct, coordinate, and control the implementation of public relation strategy and inter-agency relation strategy, secretariat affairs strategy, and compliance and legal affairs strategy.
- Integrate and coordinate inter-function activities through project management to achieve operational harmony with the adopted strategies.
- Coordinate the tasks performed by Directors.



Nafal Mahfudz
Director of General Affairs and Human Resources

Directors of GA & HR has functions of planning, directing, coordinating, and controlling activities relating to human capital development and management with competency-based HR management approach to get the most competent employees with high motivation and productivity to generate added values for the services, operation and organization performance of BPJS Ketenagakerjaan.

Director of General Affairs and Human Resources has several tasks as follows:

- Direct, coordinate, and control learning, assessment, and knowledge management activities at BPJS Ketenagakerjaan.
- Direct the monitoring and review of the BPJS Ketenagakerjaan organization.
- Plan, direct, coordinate, and control the organizational structure at BPJS Ketenagakerjaan.
- Plan, determine, control, and implement policies in the fields of human resources, learning, procurement, and management of public services.
- Direct and coordinate the implementation of the strategic, operational, and administrative roles of human capital to support the creation of added value for the organization's operational excellence
- Direct, coordinate, and control procurement activities that are effective and efficient in an open, objective, honest, fair, and ethical manner.
- Direct, coordinate and control the provision of public services that add value to the organization.



Sumarjono
Director of Strategic Planning and Information Technology

Director of Strategic Planning and Information Technology has functions of planning, directing, coordinating, managing, and controlling policies relating to strategic development, organization structure and business process of BPJS Ketenagakerjaan.

Director of Strategic Planning and Information Technology has several tasks as follows:

- Plan and establish strategic planning policy, information technology development, and the operation of information technology of BPJS Ketenagakerjaan.
- Plan and coordinate the preparation of Strategic Plan and Performance Management of BPJS Ketenagakerjaan.
- Control and manage BPJS Ketenagakerjaan research and development.
- Direct the monitoring and review of organization structure, business process, and quality management system of BPJS Ketenagakerjaan.
- Manage the realization of the prescribed information technology and development policies of BPJS Ketenagakerjaan.
- Control the management of information technology operations.
- Direct and coordinate actuarial activities, actuarial valuation in accordance with the actuarial practice standards to maintain the balance of assets and liabilities of BPJS Ketenagakerjaan Fund and DJS Fund.



E. Ilyas Lubis
Director of Membership

Director of Membership has functions of planning, directing, coordinating, implementing, and controlling policies and operational strategies of workers social security program.

Director of Membership has several tasks as follows:

- Direct and coordinate the implementation of membership acquisition strategies.
- Plan and establish membership expansion policy and membership management policy.
- Supervise and verify the compliance of members and prospective members of the workers social security programs.
- Manage the realization of the prescribed participation policies.



Amran Nasution
Director of Investment Development

Director of Investment Development has functions of planning, directing, coordinating, approving, and controlling fund management policies and strategies in various portfolios while taking profit earning and fund safety principles into account in compliance with the applicable laws.

Director of Investment Development has several tasks as follows:

- Plan and establish the economic analysis as macroeconomic projection and set investment portfolio strategies in supporting the preparation of ideal asset allocation.
- Direct and control the implementation of fund placement strategies.
- Control the diversification of fund placement to earn optimum returns while taking fund safety into account.
- Coordinate the implementation of investment portfolio performance evaluation and measurement.
- Coordinate the management of assets under special supervision.
- Monitor investment risk analysis and management processes.



Krishna Syarif
Director of Services

Director of Services has functions of planning, directing, coordinating, approving, and controlling program benefit management policies and strategies, service operations, complaint resolution, and digital services to bring operational excellence, excellent customer experience, and satisfactory services to the members.

Director of Services has several tasks as follows:

- Plan and establish program benefit development policies.
- Direct and coordinate the implementation of complaint resolution strategies and program management.
- Plan and establish service provision and complaint resolution policies.
- Plan, establish, and ascertain the practice of service standardization and sustainable quality control.
- Plan, develop internal channels, and collaborate with external parties regarding strategies of BPJS Ketenagakerjaan's service channels.
- Plan and establish service operation control.
- Formulate service provision policies and strategies in collaboration with the related institutions.
- Plan and develop strategies to optimize electronic services.
- Control the implementation of service provision policies and complaint resolution system, both physical and electronic channels, and the management of defined benefits.
- Manage complaint resolution for any grievance against BPJS Ketenagakerjaan's services.
- Plan, establish and enhance the quality of services and satisfaction of members.



Evi Afiatin
Director of Finance

Director of Finance has functions of planning, directing, coordinating, approving, and controlling financial management policies of BPJS Ketenagakerjaan and DJS Fund, bookkeeping and compiling of financial transaction reports in effective and efficient and transparent way coupled with sound risk management.

Director of Finance has several tasks as follows:

- Plan and establish financial management and financial reporting strategies and policies.
- Direct and coordinate the implementation of financial strategies.
- Direct and control BPJS Ketenagakerjaan's budget for effectiveness and efficiency.
- Control the implementation of the prescribed finance policies and reporting.
- Direct and coordinate risk management within BPJS Ketenagakerjaan.

► Assessment of BoS and BoD Performance [102-28]

Under the Laws Number 4 Year of 2004 on the National Social Security System, The National Social Security Council (DJSN) assesses the performance of both the BoS and BoD. The assessment is based on the Key Performance Indicator (KPI) and in compliance with the Regulation of DJSN Number 1 Year of 2020 on the Provision and Assessment of Key Performance Indicator of Social Security Agency. Balance Score Card is a method for determining and measuring KPI, and the results of 2020 assessment of the BoD performance are as following:

Performance Assessment Results of BPJS Ketenagakerjaan (2020)



107,61

Financial Health
Score (2020)



110,07
Performance Achievement
Indicator (2020)



Note: Assessment was conducted in the form of self-assessment method and submitted to DJSN in June 2021.

In 2020, DJSN performed monitoring and evaluation (money) over the operation of social security. DJSN used online money mechanism in two provinces on a monthly basis, with field visit if necessary. In relation to the operation of social security for workers, DJSN explained eight major points as following:

- First, it is important to improve regulations such as insurance for civil apparatus (ASN), Indonesian migrant workers, JHT reimbursement, and vulnerable workers.
- Second, informal sector to constitute the largest number of workers requires extraordinary efforts with specific approach in order to ensure that they get proper insurance. Indeed, the number of informal workers outpace the formal ones;
- Third, it is important to put the priority on the maintenance of membership database;
- Fourth, better services for Indonesian migrant workers (PMI) that have not yet to receive proper insurance and security;
- Fifth, dissemination of benefits of social security and insurance programs to the members;
- Sixth, the excellent IT-system operation to ensure process and procedure for registering, contribution payment, checking of JHT balance, and smooth submission of claims. Also, the geographical landscape is setback in providing the members with uninterrupted online system;
- Seventh, the program of pension security attracts companies, particularly companies with no insurance for their workers provided by private life insurance;
- Eight, the possibly realized and unrealized economic loss are common due to the volatile market.

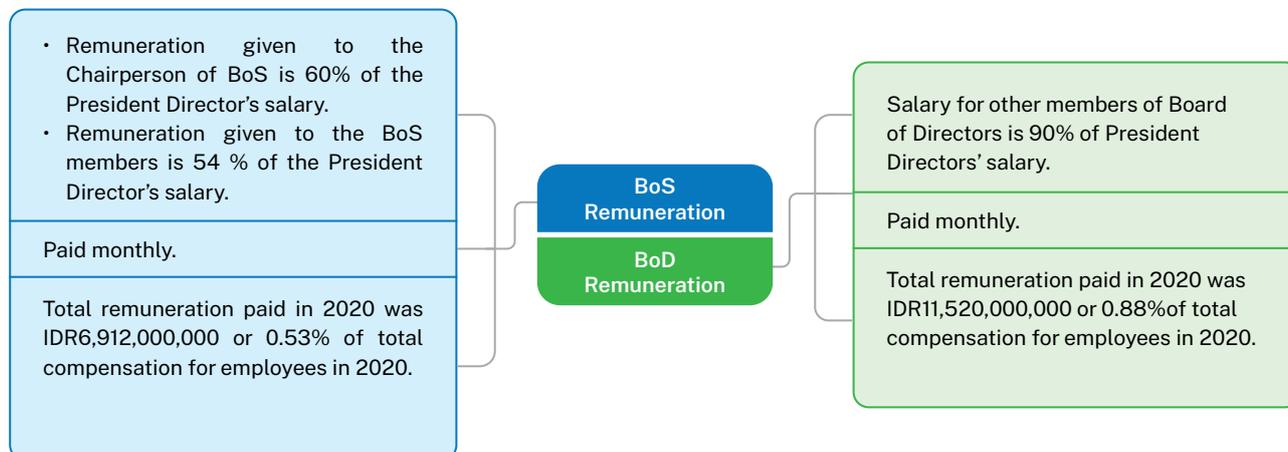
► Remuneration of BoS and BoD [IR-4B 4.9]

The remuneration requirements given to both the BoS and BoD are set forth in the Presidential Regulation (Perpres) Number 110 Year of 2013. The BoS and BoD are entitled for benefits in accordance with each of members' responsibilities and professionalism in carrying out their duties at reasonable manner. Other considered factors to effect given remuneration are

fund management, the Agency's financial performance, inflation level, sustainable management. The Government is one of stakeholders having authority to determine remuneration given to the BoS and BoD with taking account of varied parties' inputs and advices. [102-35][102-36][102-37]

Remuneration of BoS and BoD of BPJS Ketenagakerjaan

Income	Basic salary x Inflation Adjustment Factor x Employment Position Factor	
Allowances	THR Bonus	Social Insurance Allowance
	Retirement Benfit	Housing Allowance
	Annual Leave Allowance	
Facilities	Official Vehicles	Sports
	Healthcare	Official Cloths
	Legal Aid	Representation Fee
Tax	Taxes shall be borne by BPJS Ketenagakerjaan.	



The ratio of total of annual compensation received by the highest official (President Director) compared with the total median of annual compensation received by all employees (excluding President Director) on annual basis was 10.02. Meanwhile, the percentage ratio of hike in median value of the annual total compensation given to all employees (excluding President Director) was 13.73%. [102-38][102-39]



► BoS and BoD Meeting

Periodically, the BoS and BoD conduct meetings as a mechanism for working evaluation. Meetings are part of mechanism for evaluating working performance, authorities and responsibilities—three keys to the fulfillment of social and environmental accountability. The Meetings take into practice under Regulation of the BoS Number PER-01/DEWAS/072014 and the Regulation of BoS Number PER-18/DEWAS/122020. [102-28]

BoS Meetings

BoS Meetings

- Attended by all BoS members.
- Held three times at a minimum within a month.

Joint Meetings

- Attended by BoS members and BoD members.
- Held once at a minimum within a month.

Committee Meetings

- Attended by BoS members and members of BoD, supporting committees
- Held once at a minimum within a week.

In 2020, the Board of Supervisor (BoS) conducted 52 BoS Meetings, with the members' average attendance of 88.73%. Meanwhile, 16 Joint Meetings were held, with the members' average attendance of 95%.

Recapitulation of BoS Meetings (2020)

Name	BoS Meetings			Joint Meetings		
	Number of Meetings	Number of Meetings Attended	% Attendance	Number of Meetings	Number of Meetings Attended	% Attendance
Guntur Witjaksono	52	47	90,38%	16	15	94%
Eko Darwanto	52	48	92,30%	16	16	100%
Rekson Silaban	52	48	92,30%	16	14	88%
M. Aditya Warman	52	46	88,46%	16	14	88%
Inda D. Hasman	52	44	84,61%	16	15	94%
Poempida Hidayatullah	52	40	79,92%	16	16	100%
Puspita Wulandari	52	50	96,15%	16	16	100%

The BoD's are held twice in a month at minimum, and the meetings are in compliance with the Regulation of the BoD Number: PERDIR/22/082016. Throughout 2020, the Board of Directors held 41 meetings with

an average attendance of members of the Board of Directors reaching 88.50%. The Board of Directors has also attended 16 Joint Meetings with the Board of Supervisors with an average attendance rate of 90.18%.

Recapitulation of BoD Meetings (2020)

Name	BoD Meetings			Joint Meetings		
	Number of Meetings	Number of Meetings Attended	% Attendance	Number of Meetings	Number of Meetings Attended	% Attendance
Agus Susanto	41	41	100%	16	16	100%
Naufal Mahfudz	41	39	95,12%	16	15	93,75%
Sumarjono	41	40	97,56%	16	15	93,75%
E. Ilyas Lubis	41	37	90,24%	16	13	81,25%
Krishna Syarif	41	30	73,17%	16	15	93,75%
Amran Nasution	41	34	82,93%	16	12	75%
Evi Afiatin	41	33	80,49%	16	15	93,75%

► Training and Capacity Building

The Agency included members of the Board of Supervisors and the Board of Directors, in various trainings and other activities to improve their competence. This Integrated Report (IR) discloses only the number training and other activities participated by the BoS dan BoD in 2020. Complete information about each of training programs and other activities can be requested to the Deputy Director of the Corporate Secretariat.

[102-27] [POJK 51 5.b]



► Prevention from Conflict of Interests [102-25]

The Agency sets forth precautionary measures against conflict of interests among both the BoS and BoD. The measures are in compliance with the Government Regulation Number 88 Year of 2013 on Administrative Sanctions Imposed on BPJS's BoS and BoD. Until the end of reporting period, the Agency ensured that there were neither family nor business relations among BoS, BoD, and DJSN. The Agency bans both BoS and BoD members from taking conflict-of-interests decisions and establishing entities whose business nature is related to the social security programs.

Every member of BoS and BoD should sign Integrity Pact to Govern Transactional Acts, and sanctions are imposed on acts violating the Pacts. The prevailing sanctions are in compliance with the Government Regulation Number 88 Year of 2013. BPJS Ketenagakerjaan ensured that during 2020 there were no conflict of interest acts.

During the reporting period, neither was BoS nor BoD committed to dual official administration as members of political parties, officials for public organization, social organization, or non-governmental organization whose operational is related to social security programs; structural and functional officials for governmental organizations, officials for any of business or legal entities. The BoS' members—State Apparatus (Aparatur Sipil Negara, "ASN")—to represent the Government should have finished their structural administration prior to their appointment as members of the BoS.

The Agency bans dual functions in term of official changes in BoD, Head of Regional Branches, and Head of Representative Branches. The established ban is in compliance with the Government Regulation Number 88 Year of 2013.

Appointment of Interim Substitute Officials

Board of Directors	Regional Offices	Branch Offices
President Director with Director of Investment	Head of Regional Office with Head of Regional Finance	Head of Branch Office with Head of Finance Division
President Director with Director of Finance	Head of Regional Finance with Head of Regional Human Resources	Head of Finance Division with Head of Service Division
Director of Finance with Director of Investment		Head of Finance Division with Head of GA & HR Division
Director of Finance with Director of General Affairs		



► Corporate Secretary

The Secretary for the Agency is formed under the Decree of BPJS Ketenagakerjaan's BoD Number KEP/151/052014. The Secretary for the Agency is administered by Deputy Director for Secretariat Affairs whose official position is under the President Director. Until the end of reporting period, the Deputy Director for Secretariat Affairs was administered by Mr. Hidayatullah Putra.

Deputy Director for Secretariat Affairs whose functions and responsibilities are set forth in the attachments to the Decree of BPJS Ketenagakerjaan's BoD Number KEP/158/052014 has main responsibilities of operational and organizational management.

Functions and Responsibilities of the Deputy Director for Secretariat Affairs In accordance with the Attachment to the BoD Decree of BPJS Ketenagakerjaan Number: KEP/158/052014

Operational Management

- Coordinate the preparation of proposed policies, systems, and work procedures in order to realize quality performance;
- Prepare long-term work plans for the Deputy Director for Secretariat Affairs, in order to obtain work references;
- Coordinate the preparation and monitoring of the implementation of the Annual Work Plan and Budget of the Deputy Director for Secretariat Affairs, in order to maintain work effectiveness and cost efficiency;
- Monitor internal compliance of BPJS Ketenagakerjaan with the implementation of Governance, to ensure compliance with applicable regulations;
- Control the speed, accuracy, and security of the distribution and administration of documents, as well as the maintenance of the record center;
- Direct and facilitate the fulfillment of the needs of BoS and BoD (in terms of setting activities, communication relations, and correspondence with internal and external parties, as well as the fulfillment of work infrastructure), in order to support the smooth running of leadership activities;
- Establish and maintain good relations with related parties (central and regional governments and media associations) to facilitate the implementation of BPJS Ketenagakerjaan strategies and policies;
- Coordinate the preparation of the report of the Deputy Director for Secretariat Affairs, in order to obtain a final report on activities;
- Manage risk management at the Deputy Director for Secretariat Affairs, so that it is carried out according to the provisions.

Organizational Management

- Manage the performance of the Deputy Director for Secretariat Affairs, so that the short- and long-term goals are achieved;
- Improve the knowledge and capabilities of human resources in the Deputy Director for Secretariat Affairs, so that human resources are qualified for work effectiveness;
- Direct the performance appraisal process for all staff according to procedures to ensure the availability of valid and accurate performance appraisal results

► BoD Supporting Committees

Risk Management Committee

The Committee was formed based on the BoD Regulation No.33/PERDIR/102017. The Committee consists of all Directors according to their fields and responsibilities, as well as the Deputy Director of Risk Management

The function of the Committee is to provide consultation to the Board of Directors, especially the President Director, for decision making at a strategic level, regarding risk management policies and risk considerations in making operational, financial and investment decisions, as well as matters related to business decisions that are not covered by normal procedures (irregularities). [102-15]

Good Governance Committee

The Committee was formed based on the BOD Order No. SPRIN/272/042020. The Committee is chaired by the Director of General Affairs and Human Resources. In carrying out its duties, the Committee is guided by the BoD Regulation Number PERDIR/18/092015.

The Committee has the function of compiling GG assessment parameters, compiling GG infrastructure involving several divisions, encouraging innovation on GG implementation, GG dissemination and education in all work units, as well as implementing the Internal Governance Award (IGI).

Committees Under the Coordination of the Board of Directors

Investment Committee

The Committee consists of five members of the Board of Directors, namely the President Director, Director of Investment Development, Director of Strategic Planning and Information Technology, Director of Finance, and Director of Membership Expansion and Inter-Agency Relations. The Committee has the function of monitoring the implementation and investment activities based on transaction limits, while still referring to the investment guidelines established in accordance with the laws and regulations.

The Committee has the authority to discuss the Investment Policy Outline, Strategic Asset Allocation, and Tactical Asset Allocation proposed by the Director of Investment Development; appoint independent investment experts if necessary; approve or reject the investment plan; and discuss and decide on the handling of investment instrument issues that are under special supervision.

Integrity and Anti-bribery Committee

The Committee was formed based on the BoD Regulation Number: PERDIR/48/092015. The establishment of the Committee is aimed at realizing the implementation of the Integrity Pact within the Agency. The committee is chaired by the Director of General Affairs and Human Resources, who reports directly to the President Director.

This Committee has several functions as follows:

- Monitor the violation reporting system.
- Encourage the implementation of an analysis of the anti-corruption action plan.
- Monitor the follow-up of reports of violations/abuse made by BPJS Ketenagakerjaan personnel and inform the status of the complaint to the reporter.
- Guarantee the confidentiality of the identity of the witness/reporter of the violation of the Integrity Pact as outlined in the Non-Disclosure Agreement.

► Risks Management [102-11] [102-15][102-29][102-30][102-31][POJK51-5.c] [IR-4D 4.23]

The Agency adopts ISO 31000:2018 Risk Management-Guidelines as its standards for risk management practices and drafts Risk Management Roadmap. Periodically, The Agency reviews the effectiveness of risk management in practices.

BPJS Ketenagakerjaan consistently anticipates possible risks—either internal risks or external risks—it may face in running its operation. In managing the implementation

of risk management, the Agency complies with the prevailing laws, manages the conflicts of interests, employees experts for managing the practices of risk management, develops internal competency in managing sustainable practices of management risks. The risk management is categorized into three elements: Risk Management Principles, Framework of Risk Management, and the Process of Risk Management.

Risk Management

Objective

Create and protect embodied value by improving performance, encouraging innovation, and supporting target achievement.

Risk Management Principles

1. Risk management is an integrated part of all organizational activities
2. Risk management is structured and comprehensive
3. Risk management is used by adapting to the conditions of the organization
4. Risk management is inclusive
5. Risk management is dynamic
6. Risk management uses the best available information
7. Risk management takes into account human and cultural factors
8. Risk management facilitates continuous improvement of the organization

Framework of Risk Management

1. Leadership and Commitment
2. Integration
3. Design
4. Implementation
5. Evaluation of Effectiveness
6. Improvement

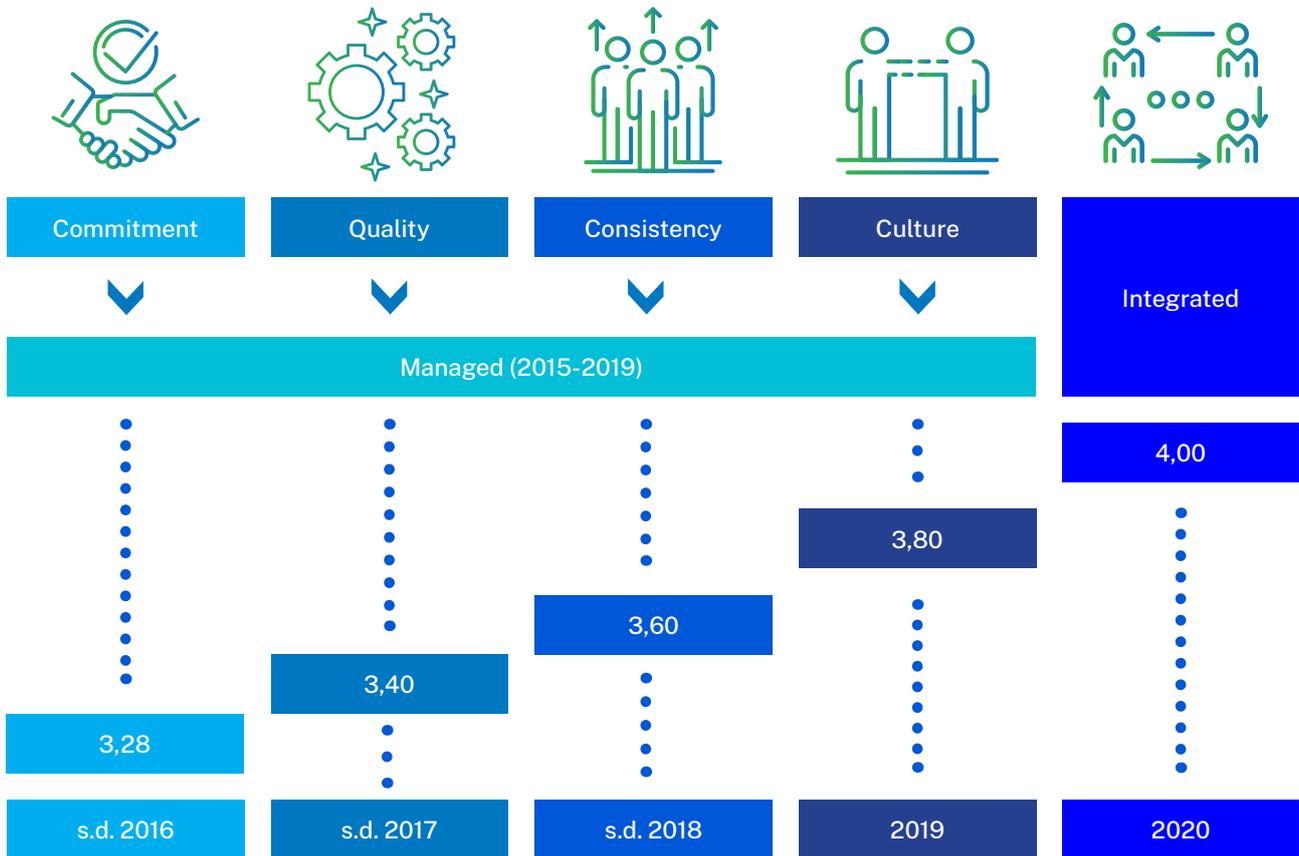
Process of Risk Management

1. Communication and Consultation
2. Scope, Context, and Criteria
3. Risk Assessment
4. Risk Treatment
5. Monitoring and Review
6. Recording and Reporting



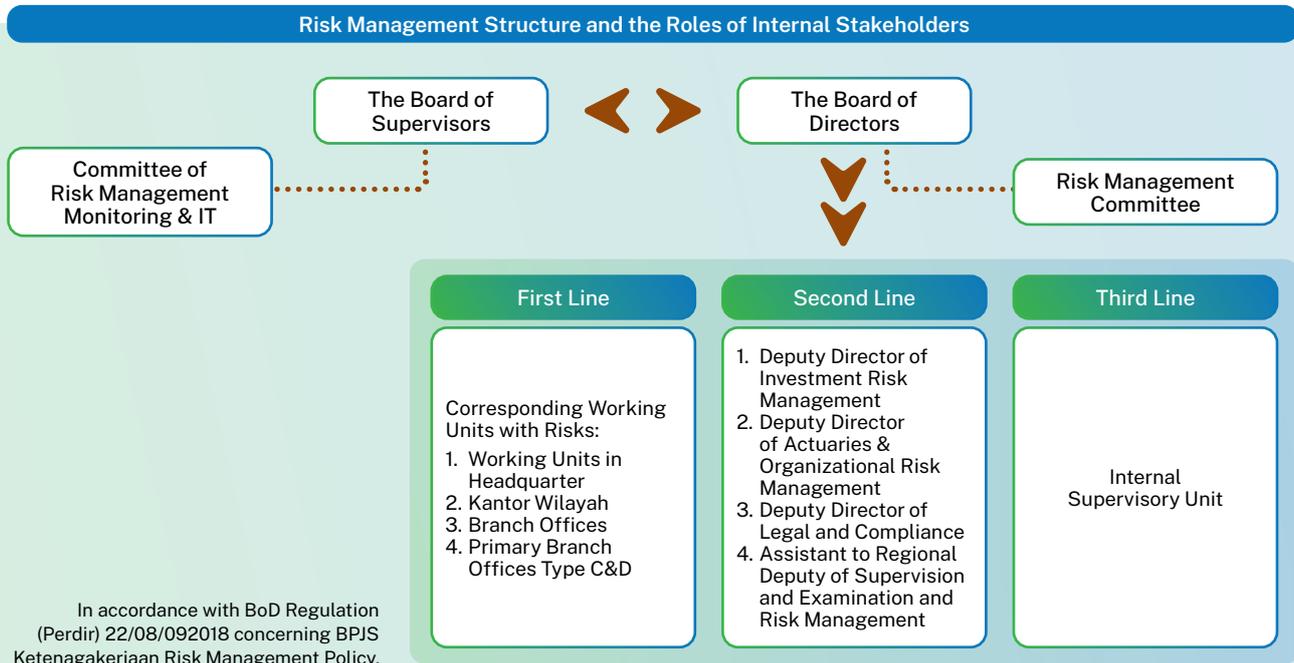
The Agency drafted the Risk Management Roadmap. Pursuant to the Roadmap, the target of 2020 risk management implementation was to accomplish integrated phase.

Risk Management Roadmap of BPJS Ketenagakerjaan



Target	Realization
<ul style="list-style-type: none"> • Effective Governance Risk Compliance (GRC) assurance and reporting processes. • Effective Risk Management in assisting the decision-making process. • Identification of opportunities other than risks as strengths. • Effective BCP, ICP, DRP (simulation) and CMT trials. • Education/Strengthening of Risk Management Competence on an ongoing basis. 	<ul style="list-style-type: none"> • Intensive GRC coordination has been carried out in the Agency. • Risk Management assists in the decision-making process. • The identification of opportunities other than risks is considered in the strength analysis. • BCP, ICP, and DRP trials have been implemented in work units and CMT has been running very effectively regarding the handling of COVID-19. • Education/strengthening of Risk Management competencies has been conducted, especially via online forum in accordance with conditions related to COVID-19.

The Agency's risk management is supported by the Structure of Risk Management to involve functions of each of internal stakeholders.



- The Board of Supervisors (BoS) has a role in supervising the management of the Agency by the Board of Directors (BoD), and providing direction and/or advice to the Board of Directors covering aspects of risk management;
- The BoD, as the main accountability holder in ensuring the effectiveness of the implementation of risk management at the Agency level, ensuring the implementation of governance principles in every aspect of the Agency's activities, as well as the implementation of effective, proactive, and sustainable risk management;
- Committee of Risk Management Monitoring and IT, established by the BoS to support the monitoring function of the Agency's risk management and information technology implementation;
- Risk Management Committee, formed by the President Director with the aim of providing facilitation and consultation for the BoD in making strategic decisions of the Agency with significant risk exposure;
- Deputy Director of Actuaries & Organizational Risk Management has the role of coordinating the overall implementation of BPJS Ketenagakerjaan risk management;
- Deputy Director of Investment Risk Management has the role in coordinating the implementation of risk management related to BPJS Ketenagakerjaan investments;
- Deputy Director of Legal and Compliance, plays a role in carrying out compliance and legal supervision functions;
- Internal Supervisory Unit, plays a role in assisting the BoD in performing independent supervisory function on the continuity of the effectiveness of the Agency's internal control, particularly in risk management practices;
- Assistant to Regional Deputy of Supervision and Examination and Risk Management, has a role in coordinating and facilitating the implementation of risk management in Regional Offices, Branch Offices, and Pioneer Branch Offices;
- Corresponding Working Units with Risks, has a role in ensuring the implementation of strategies and work programs as well as inherent supervisory activities, in order to achieve the objectives of the Agency as a form of controlling the risks of operational activities;
- Risk Agent, has duties and responsibilities to increase awareness of risk management implementation, evaluate the effectiveness of internal control, as well as provide consultation and facilitation of risk management implementation in work units.

The Agency's 2020 Risk Profile was drafted as an instrument to ensure the strategies applied were on their tracks through the approach to risk management. Below is the risk classification for Social Security Fund (DJS) and BPJS Ketenagakerjaan.

Strategic Risks

Strategic risks are setback in accomplishing the Agency's strategic goals. Strategic risks identified in 2020 were as following:

- 1) The enactment of Government Regulation No.49 Year of 2020 on the Relaxed Contribution of Social Security Program during the COVID-19 pandemic effective until 2021. The prevailing law postponed the deadline for paying membership contributions from the 15th day of the following month to the 30th day of the following month, thereby decreasing the investible fund.
- 2) The enactment of Law No.11 Year of 2020 on Job Creation Article 46E paragraph 1 states that Unemployment Benefit (JKP) Program is managed by BPJS Ketenagakerjaan. The funds to run JKP derive from (a) the government capital; (b) reformulation of contribution on social security programs; and (3) the operational fund of BPJS Ketenagakerjaan.

- 3) Solvency Ratio, to compare the Total of DJS Assets with Total Liability of each of program's fund, measures the solvency of JHT Programs. Pursuant to the Government Regulation (PP) Number 55 Year 2015 Chapter 47 Verse (5) stating that The financial solvency is measured from the liabilities of DJS's Old-Age Security and Pension Security Programs for settling security program provided to members. Total Liabilities of JHT Program are calculated from mature JHT Debts, Liability and net assets available for JHT benefits.

Market Risk

The exposure of DJS Programs and BPJS Ketenagakerjaan to the fluctuating prices deriving from traded and mature investment instruments until their maturity date. The Agency monitors and analyzes the price movement so that the possible negative impacts on net assets of DJS and BPJS Ketenagakerjaan are at minimum. In the reporting period, the Agency performed a sensitivity analysis aiming to measure the impacts of fluctuating prices on its stock portfolios per December 31st, 2020. Besides, the analysis of SUN sensitivity to record fair value to changes in interest rates per December 31st, 2020 was performed.

Table of Stock Portfolio Sensitivity Analysis

Description	DJS				BPJS Fund
	JHT	JKK	JKM	JP	
MTM Sensitivity Δ100 poin IHSG	2,29%	2,29%	2,32%	2,28%	2,37%
ΔSPE – Liability at risk	(21,86)%	(10,08)%	(11,24)%	(16,16)%	(33,31)%

Description: MTM= Market to market

Table of Mutual Fund Portfolio Sensitivity Analysis

Description	DJS				BPJS Fund
	JHT	JKK	JKM	JP	
MTM Sensitivity Δ100 poin IHSG	1,98%	2,02%	2,01%	2,06%	1,96%
ΔSPE – Liability at risk	(13,56)%	(7,33)%	(3,98)%	(9,26)%	(6,24)%

Description: MTM= Market to market

Table of SUN Sensitivity Analysis (Fair Value Listed to Changes in Interest Rates)

Description	DJS				BPJS Fund
	JHT	JKK	JKM	JP	
SUN Fair Value Portfolio (IDR Billion)	23.415,24	2.353,13	1.024,10	5.586,50	347,01
Price Change (%)	0,135%	0,115%	0,127%	0,143%	0,069%
Price Change (IDR Billion)	460,11	46,58	18,66	105,26	8,00

Liquidity Risks

• Liquidity Risks

Liquidity risks threaten if investment instruments owned by DJS and BPJS Ketenagakerjaan are not liquid, and therefore, any selling transactions in term of investment activities are hardly performed. Liquidity risks may occur if DJS and BPJS Ketenagakerjaan are not liable for settling its short-term/mature due because the value of its liquid assets to settle the short-term dues of non-investment liabilities is low.

Liquidity risks of operational (non-investment) activities are related to payable liabilities to members or other parties in accordance with due data and amount previously set forth. With respect to the management of liquidity risk, BPJS Ketenagakerjaan to hold the responsibility of DJS controls the cash flows and monitors the about-to-mature liabilities. In general, DJS is not exposed to the liquidity risks because BPJS Ketenagakerjaan's assets are more liquid than its liabilities.

• Solvability Risk

Solvency risks arise from mismatch between managed assets and long-term liabilities of JHT and JP fund. Insolvency threatens if assets of JHT and JP fund are insufficient to settle liabilities of JHT and JP Programs. Shall discrepancy between investment assets and JHT and JHP liabilities based on 1H unaudited financial statements and 1H Liabilities Statements occurs; the Investment Development Director should decide adjustment strategies.

Credit Risk

Credit Risks consist of default risks from bond issuers during the maturity date. The default can be coupon default or principal default on the maturity date. The Agency periodically and intensively monitors the performance of related companies so that possible default risks can be minimized. In addition, reviews of exposures or credit risks are consistently performed; the reviews ensure DJS and BPJS Ketenagakerjaan's fund are invested in top-pick stocks at tolerable management risks.

In 2020, the mitigation included the review of the exposure and credit risk level to ensure that DJS and BPJS Ketenagakerjan fund were invested in preferred investment at tolerable management risks; the monitoring of the financial performance of the banks of deposits placement; and the monitoring of bond issuers.

Operational Risk

The 2020 identified that internal and external operational risks were as follows:

- From October to December 2020, Employers and Companies postponed their membership contributions, decreasing the amount of paid contributions.
- Until December 2020, Wasrik projected the remaining payment of receivable contribution (postponed) of 7% of the target.
- The synchronization of National Identity Number (NIK) with the data of Directorate General of Population and Civil Registration showed a number of irrelevant data of workers
- From October to December 2020, there was increasing turnover in the PU and BPU membership.
- The formation of structural official and staff both in the headquarter and branches had yet to complete

Reputational Risks

In general, the 2020 reputational risks identified were as following:

1. The insignificant decrease in the number of negative disclosure.
2. Fluctuating number of monthly grievances related to the services of the programs provided by BPJS Ketenagakerjaan.
3. Fluctuating number of monthly grievances related to e-service application.
4. Fluctuating number of monthly grievances related to membership.

Legal Risks

Legal risks arise from claims/legal sanctions that the Agency shall indemnify. The uncertainties and/or differences in legal interpretation between the Agency and other parties in relation to products/services produced, operational activities or both parties' actions. The Deputy Director for Legal Compliance, in taking Legal Risks control into practices, gives legal analysis and recommendations to each of Deputy Directors and analyses periodically collaboration agreement with counterparties. Its main duty is to build proactive cooperation with legal advisors or lawyers to cope with legal risks.

In 2020, BPJS Ketenagakerjaan faced a number of legal cases such as external litigation and non-litigation lawsuit.

Information Technology Risks

In general, the identified risks in the IT system in BPJS Ketenagakerjaan were as following:

1. Until December 2020, the error level on the Core System Application was high. Most of error on the IT system stated in Membership module and Service module. However, the frequent problems to cause error is the feature of national identity data checking and checking of data validation of workers' account number.
2. Error on BPJSTKU application was among 10 dominant problems during 2020. Generally, error on the IT system of BPJSTKU/SSO application was caused by the detailed contribution features on the different system with F2A (details of wages). Companies were incapable of registering Member Management Information System (SIPP); the management was not capable of obtaining approval SIPP; error during the adding of KPJ in BPJSTKU or Single Sing on (SSO); the members were incapable of registering construction service projects via the system; the system presents error on the approval of claim submission through Lapak Asik.
3. Disaster Recovery Center (DRC) were relocated due to the end of prior rent contract.

Compliance Risks

Compliance risks arise from breach of/violation of and/or incapability of the Agency/or the Agency's personnel to comply with regulations, laws, and prevailing rules. Such compliance triggers may derive from external or internal stimulus of BPJS Ketenagakerjaan. The Deputy Directors for Legal Compliance, whose main duty is to minimize impacts of Compliance Risk, provides specific platform "SIPATUH" (Information System of Legal Compliance) to enforce working unit compliance. To

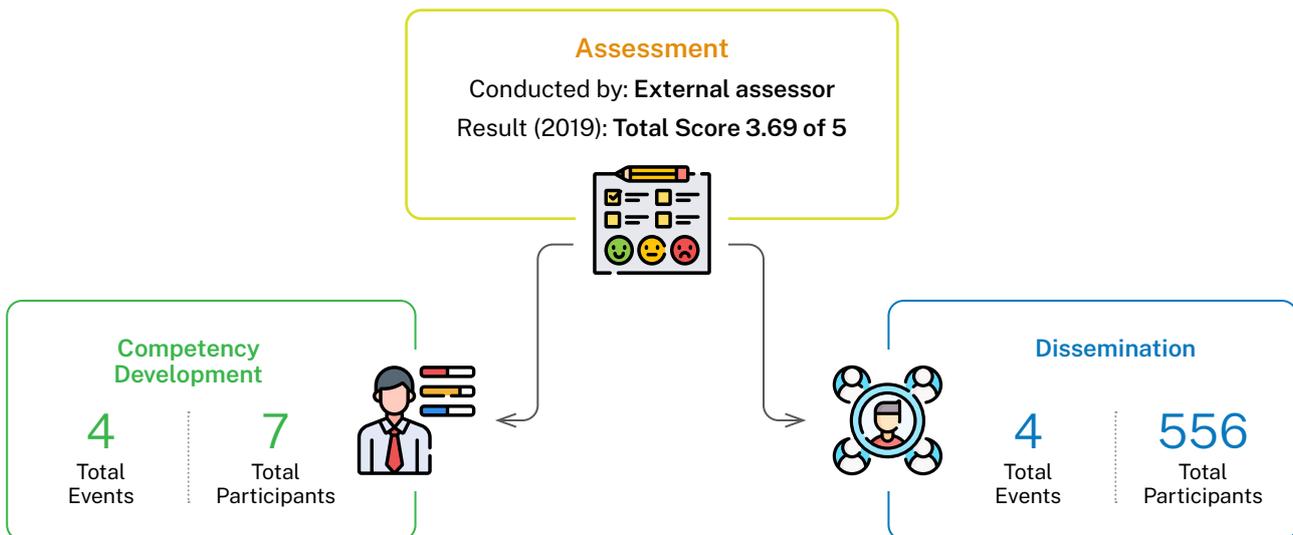
ensure accordance of application's compliance level, the Deputy Director for Legal Compliance periodically performs sampling test.

In 2020, compliance sampling tests were carried out by 14 out of 58 structural officials. It unveiled that the operational business had run in compliance with regulations of BPJS Ketenagakerjaan, with the average compliance test score of 80-89%.

Evaluation of Effectiveness of Risk Management System

[POJK 51 5.c]

The evaluation is performed by means of periodic assessment by independent parties with taking varied aspects into account. Also, the Agency develops better risk management competences through trainings and dissemination to the Agency's all-across working departments.



* The assessment results of the 2020 risk management determination are still in the process of measurement by the assessor.

Maintaining Operational and Service Sustainability

One of significant aspects in taking Risk Management into practices is the Agency's agility and resilience in maintaining sustainable operational and services shall any force majeure occur. The Agency shall brace recovery plans including recovery for information technology.

Since 2009, the Agency has been equipped with business continuity plans (BCP) and in 2014 took business

continuity management (BCM) into practices. BCM is well defined as a comprehensive management process functions of which are to identify plausible impacts of disasters on the Agency's operational activities, to provide working framework in order to better strengthen the Agency's resilience, which in turn keeping stakeholders' interests (i.e., reputation, brands, value-creation activities) in check.

Business Continuity Management (BCM)		Emergency Response Plan (ERP) Regulate procedures for handling disturbances/disasters to avoid loss of life/injury and minimize losses or the impact of damage to assets.
		Business Continuity Plan (BCP) Contains a series of planned and coordinated activities regarding risk reduction measures, handling the impact of disturbances/disasters, and recovery processes that will be used by the work unit to ensure that operational activities and services to participants can continue to run.
		Disaster Recovery Plan Information Technology (DRP IT) Is a document related to the preparation for the recovery or sustainability of critical technology infrastructure for BPJS Ketenagakerjaan after a natural disaster or human error occurs.
Investment Crisis Protocol (ICP)		The ICP document regulates in the event of a crisis condition which may disrupt the investment performance of the Agency, so as not to interfere with the achievement of returns (fund development) to participants. The ICP document is prepared by the Deputy Director of Investment.

In 2020, the Agency promoted the dissemination of BCM to all-across working units, promoted pilot project of BCM, evaluated and tested BCP documents by means of call tree communication, table top, and simulation tests in 28 Branch Offices across 11 Regional Offices. The BCM trial generated a few of concerns as follows:

- The awareness of the importance of prepared backstop to deal with possible IT-system breakdown to impact on the operational activities of each unit to figure out the smooth implementation of BCM.

- Personnel lacks the understanding of its duties and responsibilities for coping with critical circumstance by taking BCP and Emergency Response Plans (ERP) into practices;
- Lack of control in responding emergency signals for running functions of Emergency Response Plans;
- Critical and non-critical working units as well as PIC have yet to understand BCP documents. In fact, their main roles are ensuring the Agency's business continuity amid the normal or critical circumstances.

► Compliance

BPJS Ketenagakerjaan ensures that its social security and insurance given to workers and its management comply with the prevailing laws.

The Agency is committed to providing supports for eradicating corruption, and the commitment becomes the material topic of the reporting. The compliance subsumes disclosure of Wealth Report of State Officials (LHKPN) by the Agency's officials; gratification control for all personnel of BPJS Ketenagakerjaan. The requirement of LHKPN for the Agency's officials and gratification control is established in the Laws Number 28 Year of 1999 on State Administration to Show No Commitment to Corruption, Collusion, Nepotism. The BoD evaluates the compliance with the submission of LHKPN and gratification control through the reporting by the Agency's officials. From the evaluation, the compliance of LHKPN submission by the officials was 100%. In relation to the gratification control, the Agency submitted 705 items and money of IDR152,815,251 to KPK. [103-1][103-2][103-3]

The management of workers' fund complies with the prevailing laws. Pursuant to the President Regulation Number 25 Year of 2020 on Governance of Social Security Agency, the BoD should take investment decision in professional manner and optimize the investment returns by considering liquidity, solvability, prudence, security, and high returns. In managing investments, the BoD should analyze investment risks and strategic plans to cope with high investment risks, perform sufficient review of selling or buying investments. [205-1]

In relation to the legal proceeding of financial management and investment funds of BPJS Ketenagakerjaan by the Attorney General's Office, the Agency is committed to the legal examination by the Attorney General's Office. In addition, the Agency submitted documents and required information to the Investigative Team. Until this report was compiled, as it was reported by the media that the Deputy Attorney General for Special Crimes (Jampidsus) of the Attorney General's Office, Ali Mukartono at a working meeting of the Indonesian House of Representatives Commission III with the Attorney General's Office in the MPR/DPR Building on June 14, 2021, said any violations against laws and causing economic loss had yet to be found. [205-3] [IR-4F 4.33]

The commitment to the anti-corruption is stated in 'Working Ethic and Anti-Corruption' in the Ethic Code of BPJS Ketenagakerjaan, set based on the Regulation of the BoD Number: PERDIR/103/092015 on the Ethic Code of BPJS Ketenagakerjaan. According to 'Working Ethic and Anti-Corruption', the BoD and employees of BPJS Ketenagakerjaan in running operational activities respect and value the working ethic of no corruption and gratification.

As the implementation of the Code of Ethics, members of the Board of Supervisors and the Board of Directors sign an Integrity Pact. In accordance with the Integrity Pact, both the BoS and the BoD are committed to establishing an integrity zone and defining BPJS Ketenagakerjaan as a corruption-free area. In 2020, the Agency had yet to carry out anticorruption training for the BoD and BoS. [205-2]

In the reporting period, the Agency continued to establish the formation of integrity workers to support better and more prudent performance. From 2016 to the end of reporting period, the Agency formed 468 personnel of Tunas Integritas in all working units. The number reached 7.74% of the total employees of the Agency. One of the tasks of Tunas Integritas is dissemination and education, and building anti-corruption culture in each of working units. [205-2]

Also, the Agency performed competence standard of Anti-Corruption Dissemination and certification for all Tunas Integritas. Until the end of 2020, the Agency approved 40 personnel of Tunas Integritas to accomplish the certification of Anti-Corruption Dissemination, while the remaining 25 personnel of Tunas Integritas accomplished the certification of the Integrity Development Expert (API). [205-2]

The Agency concerted commitment to establishing Tunas Integritas received appreciation from Corruption Eradication Commission (KPK). The credible appreciation Awards for "An Institution with the Most Active Anti-Corruption Dissemination Forum" and the "The Inspiring Integrity Building Expert".

Fraud Control System (FCS)

To avoid fraud, the BoD established Fraud Control System (FCS), a system to control, prevent, detect, and proceed any fraudulent actions. The FCS is managed by the Fraud Controlling Unit, led by the Director of Legal and Compliance.

The Agency defines fraud as dishonest acts for gaining fortune or causing the Agency to bear loss. The fraud is carried out by deceitful or inappropriate acts. The Management should not tolerate any fraud (zero fraud tolerance) and shall file lawsuit or give sanctions against such acts pursuant to the prevailing laws and policies of the Agency. The FCS implementation is carried out by developing the controlling system marked with 10 attributes.



Attribute 1

Integrated Anti-fraud Policy

Fully responded with the availability of a BoD Regulation related to fraud control, namely Number: PERDIR/10/032020 concerning Guidelines for Fraud Control.

Attribute 2

Fraud Control Liability Structure

Fully responded with the establishment of the Fraud Control Unit, led by the Deputy Director of Legal and Compliance.

Attribute 3

Fraud Risk Assessment

Fully responded with the implementation of Fraud Risk Assessment on a regular basis, in collaboration with the Finance and Development Supervisory Agency (BPKP).

Attribute 4

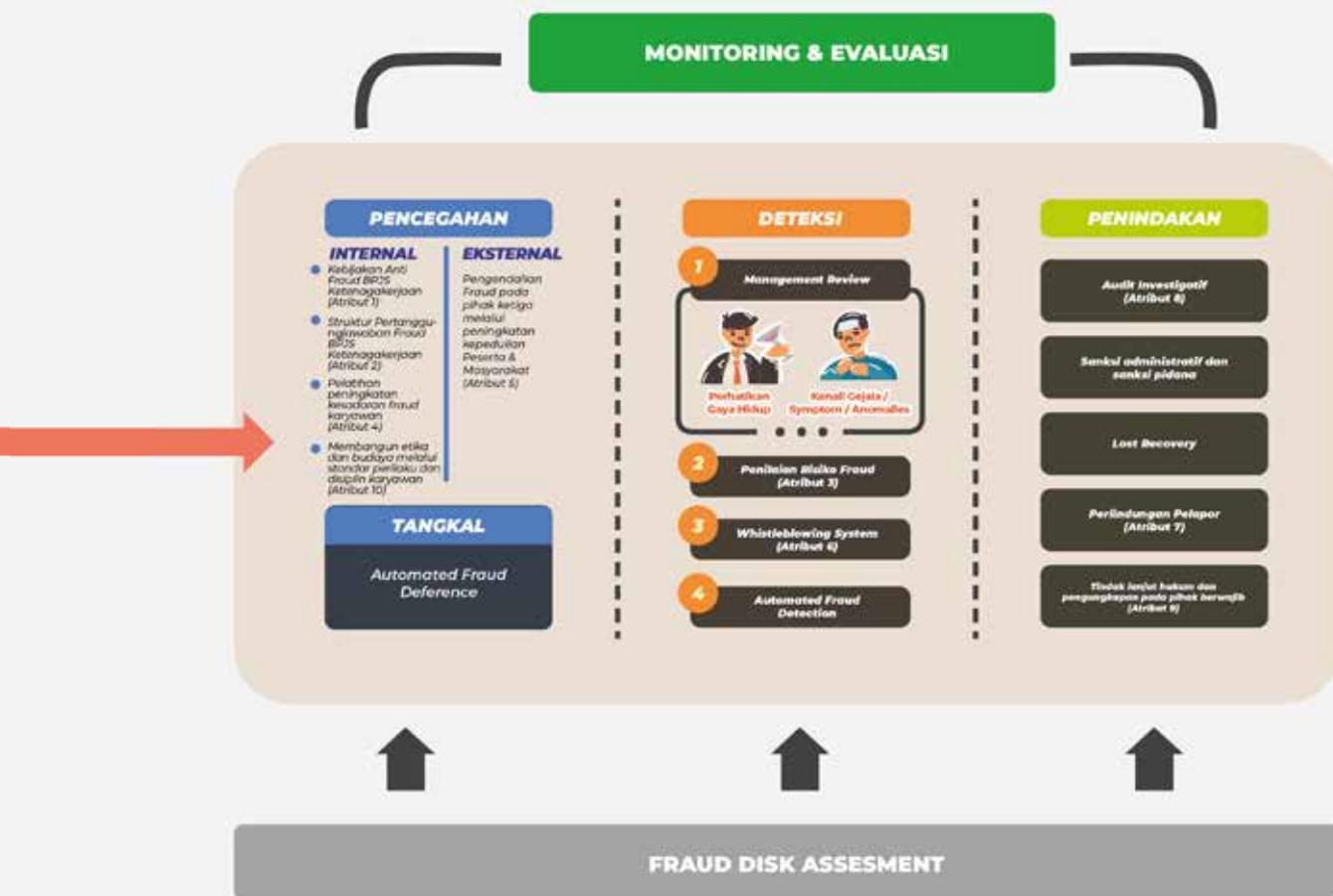
Employee Concern on Fraud Cases

Continuous dissemination is carried out to all employees, from Work Preparation Training to Advance Level Training for employees who will occupy Level 1 positions.

Attribute 5

Concern of BPJS Ketenagakerjaan Members and the Public on Fraud Cases

Members and the public can report fraud cases that occur within the BPJS Ketenagakerjaan environment through the Whistleblowing System (WBS).



**Attribute 6
Fraud Cases Reporting System**

The fraud indication reporting application can be accessed via <https://wbs.bpjsketenagakerjaan.go.id/>

**Attribute 7
Protection for Whistleblowers**

Management protects the efforts of employees, members, and the public who report fraud incidents. Protection is carried out by the Internal Supervisory Unit, Deputy Director of Legal and Compliance, in collaboration with the Witness and Victim Protection Agency (LPSK).

**Attribute 8
Investigation Procedure**

Fully responded with standard procedure guidelines for investigation of fraud by the Internal Supervisory Unit, and inspection procedures by the Deputy Director of Human Capital.

**Attribute 9
Action and Disclosure to External Parties**

Reporting to external parties is carried out in accordance with the BoD of BPJS Ketenagakerjaan Decree on the basis of the Audit Result Report conducted by the Internal Supervisory Unit.

**Attribute 10
Standards of Conduct and Employee Discipline**

Fully responded with the drafting of the BoD of BPJS Ketenagakerjaan Regulation regarding the Code of Ethics and Employee Management.

Wealth Report of State Officials (LHKPN)

Under the Regulation of BoD Number: PERDIR/21/082019, each of governance officials shall report Wealth Report of State Officials (LHKPN) to KPK. The Agency's officials echelon 1, 2, and 3 are required to submit LHKPN. Overall, there were 1,038 officials of BPJS Ketenagakerjaan obliged to submit LHKPN in 2020 with 100% of realization.

The Agency implemented e-LHKPN, a LHKPN reporting to use web-based application accessible on www.elhkpn.kpk.go.id. The application enables automatic data saving in KPK's server.

Compliance Level of LHKPN Compulsory Reporting (2020)

Official	Number of Compulsory Reporting	Number of LHKPN Submitted	Percentage
Board of Supervisors	7	7	100%
Board of Directors	7	7	100%
Structural Officers	1.052	1.052	100%

Types and Numbers of Structural Officers with LHKPN Compulsory Reporting (2020)

Structural Officer	Number of Compulsory Reporting	Number of LHKPN Submitted	Percentage
Board of Supervisors	7	7	100%
Board of Directors	7	7	100%
Deputy Division Director	26	26	100%
Deputy Regional Director	12	12	100%
President Director of Subsidiary	4	4	100%
Assistant to Deputy of Division	77	77	100%
Assistant to Deputy of Regional	68	68	100%
Branch Manager	121	121	100%
Assigned Employee equivalent Lv.2	4	4	100%
Head of Division	523	523	100%
Head of Pioneer Branch	203	203	100%
Assigned Employee equivalent Lv.3	-	-	100%
Total	1.052	1.052	100%

Gratification Control

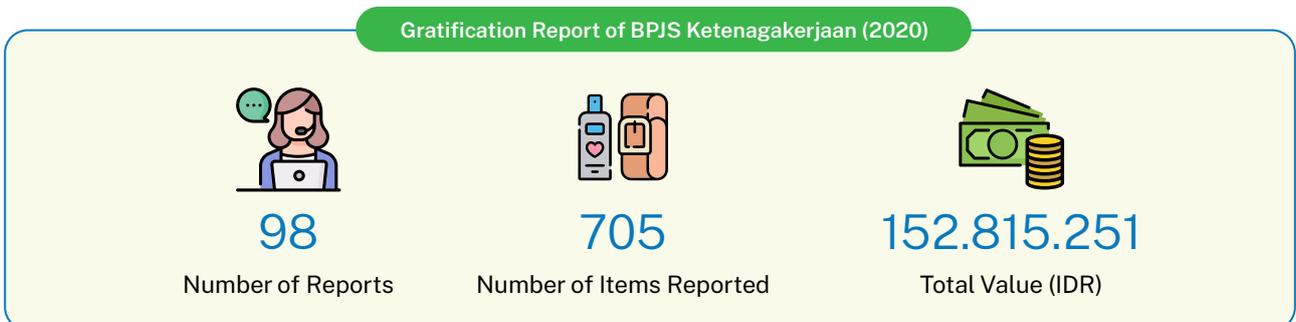
The Agency controls the gratification under the Regulation of the BoD Number: PERDIR/13/082015. Pursuant to the regulation, the Agency states that personnel of BPJS Ketenagakerjaan should report any

gratification from the parties with conflict of interests. To report the gratification, the Agency provides reporting medium of SiPatuh accessible online by all personnel of BPJS Ketenagakerjaan.

The Agency establishes Gratification Control Unit (UPG) to perform dissemination, analysis, reporting, monitoring, and evaluation of gratification controlling in the Agency's working environment. One of UPG strategic roles is to proceed the gratification report in SiPatuh application to KPK through Online Gratification (GOL) application managed by KPK.



In 2020, the Agency received 98 gratification reports, with 705 items worth of IDR152,815,251. All gratification reports had been filed to KPK for further proceeding. The Agency's commitment to gratification control won appreciation of An Institution with the Best Gratification Control in 2020 from KPK.



Information on Provision of Funds for Political Activities

In running its operational activities, the Agency is committed to not engaging in any political campaign. During 2020, the Agency's fund or assets were not spent on supporting political activities.

The Agency ensure that the members of BoS and BoD, as well as the management show no commitment to becoming the members of any political parties. Also, it bans any gratification or donation to likely influence political vote.

Supervision and Examination Officers

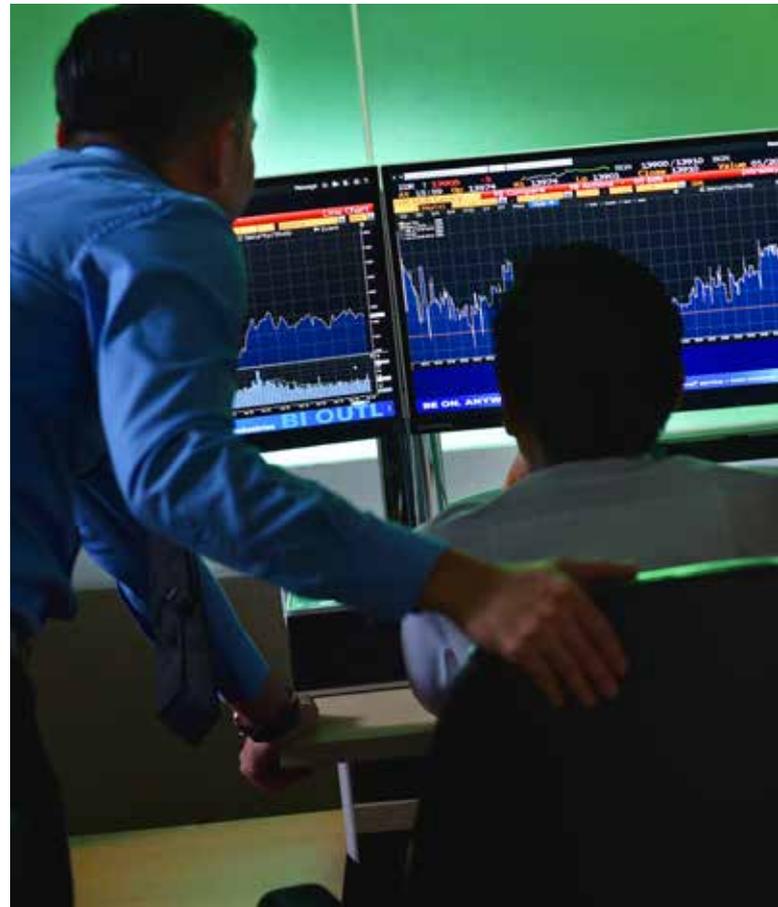
Pursuant to the Law No.24 Year of 2021 on the Social Security Agency, BPJS Ketenagakerjaan has the authority to supervise and examine the compliance of the Workers and Employers with their responsibilities under the laws of national social security. The process complies with the Regulation of BoD Number: PERDIR/35/102020.

The Supervision process is carried out the checking units by drafting supervision working plan. The supervision activities are carried out at the offices or direct visit to the company. The supervision is stated in the supervision statement and the companies are given seven days to proceed the statement. If the companies refuse to perform their duties, than further checking process shall proceed or legal lawsuit shall apply.

The inspectors monitor and check to find any data violation, including Partially Registered Companies (PDS), Unregistered Companies (PWBD), and Companies with Contribution Arrears (PMI). The officer compiles the file, and the valid file is submitted to law enforcement for further processing. The inspectors monitor the process carried out by law enforcement.

A company found to have no guilty against any data violation shall be certified with Close Won statement. Conversely, a company found otherwise shall be proceed to inspection process. PMI shall be proceeded to the criminal suit against the social security violation. In 2020, the Agency carried out supervision and examination

for 58,261 companies, including 9,740 or 16.72% PDS, 8,198 or 14.20% PWBD, and 40,323 or 69.21% PMI. The agency imposed sanctions on companies, including written warnings and fines, not receiving certain public services, as well as criminal sanctions.



► Supervision

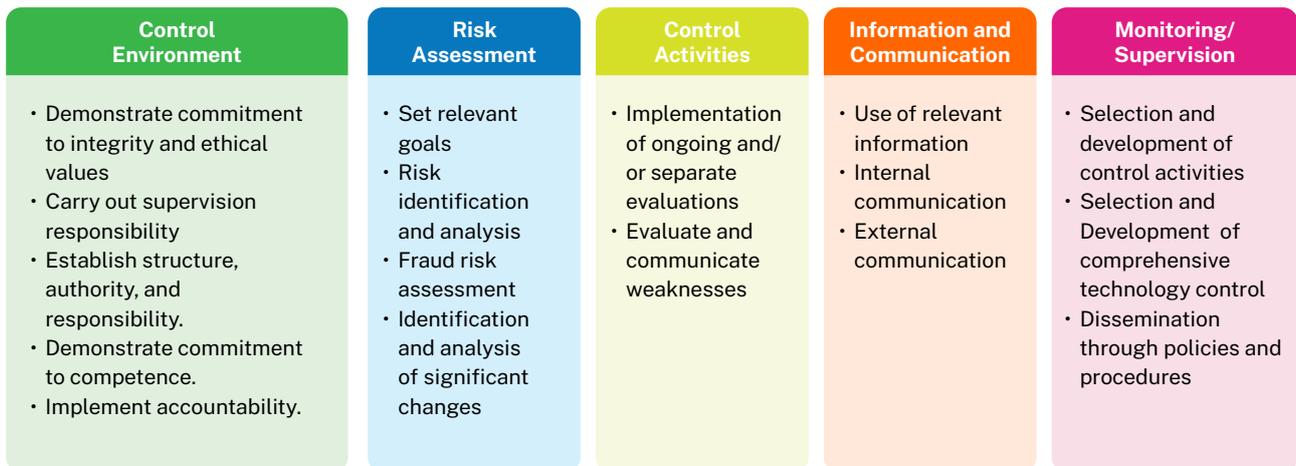
Supervision is crucial to actualize the sustainability of security social and insurance for workers. The practices of supervision aim to prevent any actions abusing the mutually accomplished goals.

Internal Control System

The Internal Controlling System is comprehensively carried out in the Headquarters, regional offices, and branches. The practices of Internal Controlling System are in compliance with the Regulation of BoD Number PERDIR/43/092015, to subsume 5 components pursuant to the working framework of the Committee of Sponsoring Organizations of the Treadway Commissions (COSO). The five components are control environment, risk assessment, control activities, information and communication, and monitoring/supervision.

The practices of internal control are carried out by the Internal Control Unit (SPI) who hold the responsibility of reporting its duties to the President Director. SPI supports the Agency with operational activities such as insurance, consultation, and assessment.

Components of Internal Control System and Compliance with COSO



Internal Supervisory Unit

Review Result of Internal Control (2020)

- The Good Governance Index assessment conducted in 2020 for the 2019 GGI received a score of 94.95 out of a scale of 100.
- The Maturity Risk Assessment conducted in 2020 for the 2019 MR received a score of 3.63.

Internal Supervisory Unit

The Regulation of the BoD Number PERDIR/33/102017 governs that the Internal Control Unit (SPI) is led by Head of Unit and holds responsibilities to the President Director. The Head of SPI assisted by Assistant to the Head of Department, Senior Auditor, Auditor Staff, and Non-Auditor Staff. Until the end of reporting period, there were 67 employees to support the administrative functions of SPI.

SPI's duties and responsibilities are regulated in the Charter established under the Regulation of BoD Number PERDIR/45/092015. SPI hold its duties and responsibilities independently and objectively without any intervention or pressures from all-levels management. SPI's working scope is to ensure the process of internal control, risk management, risk management and the Agency's governance, as well as Social Security Fund function properly. Besides, SPI monitors investment fund, assets, human resource development, capital expenditure, and operational activities in the headquarters or regional office branches. [102-15]

Pursuant to the Annual Audit Work Program (PKAT) as of December 31st, 2020 as discussed with the Committee of Audit, Budget and Actuary and approved by the President Director, the Operational Audit had been started on January 15th, 2020. PKAT during the reporting period consisted of 111 auditees.

Total Personnel of SPI by December 31, 2020



During the reporting period, SPI gave consulting services to the Management/Working Units in order to better improve the function of internal controlling system. Until December 31st, 2020, SPI had issued recommendation reports to include review of State Equity Fund.

Monitoring and Evaluation of Internal Supervision unveiled 374 findings or 13.15% cases were evaluated further by Headquarters and Regional Offices. The findings audited were part of 2019 total findings of

1,507 cases and 2020 additional findings audited of 1,712 cases. A 43.52% of the total findings or equal to 2,834 findings had been audited and completed.

Audit Findings

Regional Office	Findings		Follow ups			
	2019*	2020	Completed	%	Ongoing	%
Banten	112	129	220	91,29	21	9,51
Bali, Nusa Tenggara, Papua	169	196	364	99,73	1	0,27
Jakarta	141	119	213	81,92	47	21,98
West Java	187	173	306	85,00	53	17,27
Central Java, Yogyakarta	125	166	196	67,35	95	48,30
East Java	106	175	246	87,54	35	14,18
Kalimantan	121	132	237	93,68	15	6,30
Sulawesi, Maluku	172	180	324	92,05	28	8,62
Southern part of Sumatra	144	212	309	86,80	47	15,17
Northern part of Sumatra	128	121	233	93,57	16	6,84
West Sumatra, Riau	102	109	195	92,42	16	8,17
Total	1.507	1.712	2.843	88,32	374	13,15

* Restatement



External Audit/Public Accountant

One of supervision activities run by the Agency is the involvement of the external audit or Public Accountant whose task is to give opinions on the proper disclosure of BPJS Ketenagakerjaan's financial report pursuant to the prevailing Standards of Financial Accounting (SAK) prevailing in Indonesia. The Audit by Public Accountant Office (KAP) is carried out in an annual basis.

KAP is appointed by the BoS in compliance with the Regulation of BoS Number PER/05/DEWAS/012016. Financial Statements of 2020 Fiscal Year under SPK Number PER/411/122020 was audited by KAP Razikun Tarkosunaryo as the Independent Auditor.

List of Public Accountants (2016-2020)

Fiscal Year	Public Accounting Firm	Accountant	Service
2020	Razikun Tarkosunaryo	Dr. Muhammad Razikun	<ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit • Program Management
2019	Razikun Tarkosunaryo	Dr Muhammad Razikun	<ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit • Program Management
2018	Mirawati Sensi Idris	Jacinta Mirawati	<ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit
2017	Kanaka Puradiredja, Suhartono	Suhartono	<ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit
2016	Kanaka Puradiredja, Suhartono	Suhartono	<ul style="list-style-type: none"> • General Audit • Regulatory Compliance Audit

Other institutions acting as external auditors include the Supreme Auditor of the Republic of Indonesia (BPK RI) pursuant to Law Number 15 Year of 2004. Audit report to the financial statements of the Agency contains opinion, meanwhile as for performance audit report it contains findings, conclusions and recommendations, and the results of certain audit with conclusions.

Another to BPK RI, the Financial Services Authority (OJK) also acted as the external auditor pursuant to the Regulation of Financial Services Authority (POJK) Number 5/POJK.05/2013. Its supervision scope covers the Agency's compliance with the regulation of fit and proper financial performance of state's legal entities and inventory reserves of employment security programs.

Whistleblowing System (WBS)

BPJS Ketenagakerjaan implements System for Reporting Violation or Whistleblowing System (WBS) to manage grievances/any acts of violating laws and unethical conducts. SPP/WBS is managed under the Regulation of BoD Number PERDIR/48/092015 and carried out in a confidential, anonymous, and independent manner. Each of violation reporting is identified using standardized mechanism managed professionally. WBS is managed by the Integrity Committee led by the Director of General Affairs & Human Resources to hold its responsibilities to the President Director.

Goals of WBS:

- Detect and prevent violations to cause financial loss and non-financial loss;
- Boost effectiveness in governance, internal control, and performance of personnel and the Agency;
- Assist the management to handle effectively the violation reports and keep the data of the reporters confidential.

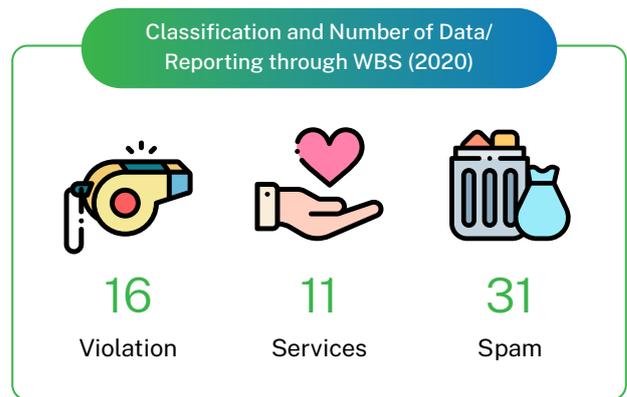
Grievances can be conveyed through:

- Direct mechanism
Reporters can contact or deliver grievances or violations directly to Internal Control Unit (SPI).
- Indirect Mechanism
 1. Phone: 0800 1 392 392
 2. PO Box: 392/JKTM12700
 3. Fax: 021 529 01392
 4. SMS: 0800 1 292 392
 5. Website: bpjsketenagakerjaan.go.id
- The scope for reporting violations: corruption, collusion, and nepotism (KKN), gratification, fraud, bribery, violations against laws and the regulations set by the Agency, violations against the Principles of Financial Accounting Standards, services, corrupt acts, conflict of interests, and other violations.

The Agency ensures the confidentiality of reporter identity and secures them from any possible threat. The Agency gives awards for credible reports and sanctions against the parties committed to any violations.

In 2020, the Agency received 58 data/reports, and 31 data/reports or 53.45% of the total reports were not credible and classified as spam. Meanwhile, 27 data/reports or 46.55% of them were credible and proceeded by the Agency.

Any personal violation is handled by the Human Capital Division, while the material violation is handled by the Internal Control Unit (SPI). Reports related to services are submitted to the Deputy Director of Electronic Services and Grievances



Alur Pelaporan WBS BPJS Ketenagakerjaan



Significant Legal Cases [IR-4F 4.33]

Number of Legal Cases (2020)

Description	Civil	Criminal	Total
Completed and having permanent legal force	1	-	1
Ongoing process of legal settlement	6	1	7
Total	7	1	8

Further information on the settled cases considered lawful during the reporting period are accessible via the Secretary of BPJS Ketenagakerjaan.



► Independent Assurance Statement



Independent Assurance Statement

The 2020 Annual Integrated Report of Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan

Number : 011/000-174/VIII/2021/SR-Asia/Indonesia
Type/Level : 1/Moderate

Dear stakeholders,

Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan, or “BPJAMSOSTEK” or “the Organization” is a public legal entity that manages social security programs for Indonesian workers. The Organization provides a number of products and services such as insurance programs for occupational accidents and fatalities, and pension and post-retirement fund programs. Headquartered in Jakarta, BPJAMSOSTEK operates in the whole province of Indonesia. The Organization has developed and published an **Annual Integrated Report** (“the Report”) for the reporting period of **January 1st to December 31st, 2020**. Social Responsibility Asia (SR Asia) is bestowed for conducting the assurance process as per AA1000AS v3 on the Report and issuing an **Independent Assurance Statement** (“the Statement”).

Intended User and Purpose

The Statement is intended to disclose the results of the overall assessment of the Report content to the stakeholders. It presents SR Asia’s opinion, findings, and recommendations on the Report content, including the Organization’s sustainability commitments, governance, strategies, and achievements during the reporting period. The assurance work was performed according to the agreed scope, mechanism, and procedures with limitations based on the best globally accepted standards and best practices. NO ONE shall use the Statement for interpreting the sustainability or the whole performance of BPJAMSOSTEK, except for the areas covered in the assurance work. SR Asia also does NOT have any responsibility and accountability for any claim to any matter, data, and information covered outside this Statement or the Report.

Responsibilities

SR Asia and the Management¹ signed the Non-Disclosure Agreement and the Engagement Agreement documents describing the responsibilities of parties during the assurance work. The Management is solely responsible for the presentation of data, figures, and information. The Responsibility of SR Asia is to provide an assurance service, NOT an audit, on the Report content. SR Asia is also responsible for generating conclusions and recommendations, including the Statement derived from the results of assurance work based on the agreed standards and methodology as indicated in the agreement document. It is mandatory for SR ASIA, NOT to disclose the results of assurance work for any other purpose or to any other person or organization, except to the Management. Therefore, SR Asia is NOT responsible for any risks associated with dependencies of third parties on the Statement, the results of assurance, or the Report.

Independence, Impartiality, and Competency

In all assurance works, SR Asia confirms NO relationships between the assurance experts and the clients that can influence their independence and impartiality to conduct the assessment and generate the Statements. SR Asia

¹ Management of the Company

assigned the experts with in-depth knowledge and experience on AA1000 AccountAbility principles and standards, ISO 26000 implementation projects, and sustainability report writing and assessment based on GRI Standards and POJK 51/2017. During the assurance work, SR Asia is abided by a professional code of conduct and work procedures to ensure the objectivity and integrity of the Assurance Team.

Description and Source of Disclosures

The assurance process was started with a kick-off meeting and an initial assessment of the Report draft that the Organization shared. Afterward, SR Asia discussed online with the Management regarding the results of the preliminary assessment. SR Asia also reviewed the findings and traced back data and information to the evidence documents to come up with recommendations for further improvements. Small online research was conducted to identify any public data and information significantly related to sustainability issues of BPJAMSOSTEK and its Report content. To perform the assessment following the highest assurance standard and best practices, SR Asia used AA1000 Assurance Standard v3 and SR Asia Protocol for Assurance Analysis as a reference and utilized SR Asia Great (digital platform) to collect and analyze data and information digitally.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content with respect to the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. A **moderate level of assurance** procedure on the Report content and evidence, where **the risks of information and conclusions of the Report being error is reduced, meaning not reduced to very low, but not zero.**

Scope and Limitation of Assurance Service

1. Adherence to the following reporting principles, standards, and regulations:
 - a) the Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative;
 - b) the International Integrated Reporting Framework (IIRF) issued by the International Integrated Reporting Council; and
 - c) the Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institution, Listed, and Public Company (“POJK 51”).
2. Data and information for the reporting period of **January 1st to December 31st, 2020.**
3. The following material topics as defined in the Report: **the economic performance; the training and education; the marketing and labeling; the indirect economic performance, the diversity and equality; the anti-corruption; the privacy of program beneficiaries; and the energy.**
4. Evaluation of publicly disclosed information, system, and process of BPJAMSOSTEK to ensure adherence of the Report content to the reporting principles.
5. Financial data, information, and figures in the Report content were NOT included in the scope of assurance work. SR Asia assumes that BPJAMSOSTEK, or independent parties, or other parties associated with the Organization, have verified and/or audited any data and information related to financial statements.

Exclusion

1. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period, or not mentioned under the defining materiality section or the discussion on defining Report content.
2. Forward-looking and presumption statements including future plan and expectation, as well as opinion, belief, and advertisement indicated by the Organization in the Report content.
3. Assessment against regulations, indicators, standards, guidelines, and principles other than those indicated in the Statement.

4. Financial data and information of the Organization other than those presented in the Report content.
5. Stakeholder engagement processes and procedures that might have been conducted in developing the Report content.

Methodology

1. The Assurance Team members, who were subject experts for the assignment in Indonesia, carried out a pre-engagement protocol to ensure independence and impartiality in the assurance work.
2. The Assurance Team carried out a preliminary assessment on the Report draft submitted by the Company and initiated a kick-off meeting with the Management.
3. The disclosures in the Report content were assessed against the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), GRI Standard, and IIRF. Analysis was performed following the SR Asia Protocol on Assurance Analysis as well as using the SR Asia Great Assurance Tool digital platform.
4. The Assurance Team and the Management discussed online about the results of the initial analysis and the conclusions and recommendations for improvements of the Report.
5. The Assurance Team assessed and traced data and information back to the evidence documents provided by the Reporting Organization.
6. The Organization improved the Report content based on the recommendations from the Assurance Team.
7. BPJAMSOSTEK submitted the revised Report to the Assurance Team for final analysis, and then the Assurance Team developed and issued the Statement.

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity – The Assurance Team has concluded that the presentation of key stakeholders in the Report content indicates inclusivity. Commitment to sustainability is manifested in its efforts to provide social security programs for the program beneficiaries as one of the key stakeholder groups. The Report content also indicates that various units and functions of BPJAMSOSTEK engage the key stakeholders with different methods and approaches in a practical manner.

Materiality – In the Report, BPJAMSOSTEK identified material topics relevant and significant to its sustainability context. However, materiality analysis has not used clear criteria and thresholds. Also, materiality testing has not yet been conducted. In managing material topics, the Organization provided sufficient resources and the training, and education activities to increase its human resources capabilities. Of each material topic, BPJAMSOSTEK is expected to have a clear blueprint, strategy, and roadmap with specific targets and indicators and linked to sustainable development goals (SDGs) when possible.

Responsiveness – Overall, the Organization provided sufficient resources to respond to the stakeholders' concerns and expectations. BPJAMSOSTEK also has various mechanisms and communication channels, including social media, in place to manage responses. The Organization has a whistleblowing system to respond to grievances on business ethics and frauds, and report corruption incidents. Nevertheless, as indicated by AA1000 standards and principles, BPJAMSOSTEK is recommended to evaluate the maturity, impact, and prioritization of a topic and the appropriateness of responses regularly.

Impact – As per assurance work taken, BPJAMSOSTEK has shown its commitment to understand, measure, evaluate, and manage its business impacts on the stakeholders. Presentation of quantitative data and qualitative information about the impacts in the Report is sufficient following the reporting standards. In the future, BPJAMSOSTEK is expected to conduct impact assessments on material topics to measure the outcomes with solid evidence.

In "Accordance" with Comprehensive Option – The Report content to some extent, shows its adherence to the **comprehensive option** of GRI Standards, where a minimum of one disclosure of each material topic is discussed in

the Report. The disclosure of management approach (DMA) and the omission statement, when relevant, is also moderately presented.

GRI Standards Principles – Except for timeliness principles, the Report follows the Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, accuracy, clarity, and reliability). Adherence to timeliness principle is lower due to time of releasing the Report is in the third quarter of the year. BPJAMSOSTEK is expected to publish the Report no later than the second quarter of the year.

Adherence to IIRF

The assurance work results signify that the Report content follows the standards, principles, and framework as indicated in the International Integrated Reporting Framework (IIRF). The value creation diagram in the Report presents the six capitals of BPJAMSOSTEK. As a public entity, the Organization manages social security programs mandatory by government regulation for formal workers, including corporate employees. Therefore, discussion on market forces is not relevant to the Organization.

Recommendation

1. Strengthening sustainability blueprint, strategy, and roadmap related to each material topic with specific targets and indicators, and establishing strong links between sustainability strategy and SDGs with clear objectives, when possible.
2. Conduct stakeholder engagement management in a more strategic manner as per AA1000 standards and principles, and perform materiality testing on material topics with specific criteria and thresholds.

The assurance provider,

Jakarta, 30th of August 2021



Birendra Raturi
International Director
Social Responsibility Asia

 **AA1000**
Licensed Assurance Provider
000-174
Dr. Semerdanta Pusaka
Country Director for Indonesia
Social Responsibility Asia

Social Responsibility Asia (SR Asia)

International

4F-CS-25, Ansal Plaza, Vaishali, Ghaziabad (NCR Region Delhi), Uttar Pradesh 201010, INDIA

Landline / Mobile: +91-120-4103023; +91-120-6452020 / +91-9810059109

E-mail: info@sr-asia.org, Website: www.sr-asia.org

Indonesia

PT Sejahtera Rambah Asia, #1607 Splendor Tower, Soho Pancoran,

Jl. MT Haryono Kav.2-3, Jakarta 12810, INDONESIA

Landline: +62-21-5010 1504, E-mail: services@srasia-indo.com, Website: www.srasia-indo.com

SR Asia Independent Assurance Statement, version 2021, page 4 of 4

► POJK 51/POJK.03/2017 Reference, GRI Standar Indeks, and IIRC Framework ^[102-55]

POJK No.51/POJK.03/2017

No	Disclosure	Page Number
1	Elaboration on Sustainability Strategy	20
2	Summary of Sustainability Aspect Performance	8-9
	a. Economic aspects:	8
	1) Quantity of products or services offered;	
	2) Revenue or sales;	
	3) Net profit or loss;	
	4) Environmental-friendly products; and	
	5) Engagement of local stakeholders concerning the Sustainable Finance business process;	
	b. Environmental Aspects:	9
	1) Energy consumption (including electricity and water);	
	2) Total emission reductions (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment);	
	3) Reduction of waste and effluents (waste entering the environment) achieved (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment); or	
	4) Biodiversity conservation (in case of FSI, Issuer and Publicly Listed Company whose business process directly relates to environment);	
	c. Social Aspects:	9
	A description of the positive and negative impacts out of Sustainable Finance application on community and environment (including people, regions, and funds)	
3	Brief Company Profile:	23
	a. Vision, mission, and values of sustainability	
	b. Name, address, telephone number, fax number, e-mail adress, and website/web, as well as branch and/or representative offices	24,39
	b. Enterprise scale:	20-21,24,26-27
	1) Total assets or asset capitalization, and total liabilities (in millions of rupiah);	
	2) The number of employees by gender, position, age, education, and employment status;	
	3) Shareholding percentage (public and government); and	
	4) Operational area	
	d. Short description on products, services, and business activities;	24
	e. Membership in association;	25
	f. Significant changes, such as those relating to branch office closure or opening and ownership structure.	18
4	Description on Board of Directors includes:	12-15
	a. Policy to respond to challenges in meeting the sustainability strategy, that must cover at least the following:	12-15
	1) Elaboration on the Company's sustainability values	
	2) Elaboration on the Company's responses towards issues concerning to the implementation of Sustainable Finance;	
	3) Elaboration on commitment of Company leadership in achieving Sustainable Finance application;	
	4) Achievement of Sustainable Finance application performance; and	
	5) Challenges in Sustainable Finance application performance achievement.	

No	Disclosure	Page Number
	b. Application of Sustainable Finance:	13-15
	1) Achievement of Sustainable Finance application (economic, social, and environmental) against targets; and	
	2) Elaboration on achievements and challenges including notable events during the reporting period (in case FSI required to make Sustainable Finance Action Plan);	
	c. Target achievement strategy:	15
	1) Risk management due to the application of Sustainable Finance related to economic, social and environmental aspects;	
	2) Utilization of business opportunities and prospects; and	
	3) Description on economic, social and environmental external situations that have the potential to affect the Company's sustainability	
5	Sustainability governance includes	123-168
	a. Description of tasks performed by Board of Directors and Board of Commissioners, employees, officers and/or work units who are responsible for the implementation of Sustainable Finance	131,136
	b. Development of Board of Directors' competencies, Board of Commissioners, employees, officers and/or work units responsible for implementing Sustainable Finance.	146
	c. Elaboration on procedure that Company applies in identifying, measuring, monitoring and controlling risks for the implementation of Sustainable Finance related to economic, social and environmental aspects, including the role of the Board of Directors and the Board of Commissioners in managing, conducting periodic reviews, and analyzing the effectiveness of the Company's risk management process.	149,152-155
	d. Description on stakeholders that includes:	19,28
	1) Stakeholder involvement based on management assessment results;	
	2) The approach used by the Company in involving stakeholders in the application of Sustainable Finance.	
	e. Problems faced, progress, and influence to the implementation of Sustainable Finance.	12,48
6	Sustainable performance:	
	a. Elaboration on sustainable culture development activities in the Company	127
	b. Description of economic performance:	45,50,74,75
	1) Comparison of targets to performance of production, portfolio, financing targets, or investments, revenue as well as profit and loss	
	2) Comparison of target to performance of portfolio, financing target, or investments in financial instruments or projects in line with the implementation of Sustainable Finance.	
	c. Social performance:	22,55,77,80,8
	1) The Company's commitment to provide services for equal products and / or services to consumers.	3,84,103,107,10
	2) Employment:	9,111
	a) Equality of employment opportunities and the presence or absence of forced labor and child labor;	
	b) Percentage of permanent employee remuneration at the lowest level of the regional minimum wage;	
	c) Decent and safe work environment; and	
	d) Training and development of employee skills.	
	3) Community:	
	a) Information on operational activities or area producing positive and negative impacts on local community including financial literacy and inclusion;	
	b) Mechanism of community complaints and number of community complaints received and acted upon; and	
	c) CSER relatable to supports to sustainable development objectives including community empowerment programme activity achievements.	

No	Disclosure	Page Number
d.	Environmental Performance:	75,89,90
	1) Environmental costs that incur;	
	2) Description on the use of environmentally friendly materials such as material of recyclable type; and	
	3) Description on the use of energy, at least include:	
	a) Amount and intensity of energy consumed; and	
	b) Efforts and achievement made for energy efficiency including the use of renewable energy sources;	
e.	Environmental Performance for Companies whose business processes are directly related to the environment:	18,113
	1) The performance under point d above;	
	2) Information on operational activities or areas producing positive and negative impacts on the surrounding environment, especially efforts to increase the carrying capacity of ecosystems;	
	3) Biodiversity, including at least:	
	a) Impacts from operational areas close to or in conservation areas or that contain biodiversity; and	
	b) Biodiversity conservation business carried run, including protection of flora or fauna species;	
	4) Emissions, including at least:	
	a) Amount and intensity of emissions produced by type; and	
	b) Efforts and achievement of emission reductions;	
	5) Waste and effluent, including at least:	
	a) Amount of waste and effluent produced by type;	
	b) Waste and effluent management mechanisms; and	
	c) Spillover that occur (if any); and	
	6) Number and content of environmental complaints received and resolved.	
f.	Sustainable Finance product and/or service development responsibility at least include:	18,55,94
	1) Sustainable Finance product and/or service innovation and development	
	2) Number and percentage of products and services having undergone safety test for customers;	
	3) Positive and negative impacts caused by Sustainable Financial products and/or services and the distribution process, as well as mitigation undertaken to mitigate negative impacts;	
	4) Number of products recalled and the reasons; or	
	5) Customer satisfaction survey of Sustainable Financial products and/or services.	
7	Written verification from independent parties (if any)	18

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	103-3	Evaluation of the management approach	111
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GRI 418: Customer Privacy 2016	418-1	Substantiated compliants concerning breaches of customer privacy and losses of customer data	95, 109
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GRI 302: Energy	302-1	Energy consumption within the organization	89
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	302-3	Energy intensity	90
	302-4	Reduction of energy consumption	89, 90
	302-5	Reductions in energy requirements of products and services	90

The International Integrated Reporting Council (IIRC) Framework

Indicator	Description	Page Number
IR-1A	Integrated report defined	23
IR-4 Content Element		
IR-4A	Organizational overview and external environment	29
IR-4A 4.5	<p>An integrated report identifies the organization's mission and vision, and provide essential context by identifying matters such as:</p> <ul style="list-style-type: none"> · The organization's: <ul style="list-style-type: none"> o Culture, ethics, and values o Ownership and operating structure o Principal activities and markets o Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry) o Position within the value chain · Key quantitative information (e.g, the number of employees, revenue and number of countries in which the organization operates), highlighting, in particular, significant changes from prior periods · Significant factors affecting the external environment and the organization's response. 	23
IR-4A 4.6	<p>Significant factors affecting the external environment include aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium, or long term. They can affect the organization directly or indirectly (e.g., by influencing the availability, quality, and affordability of a capital that the organization uses or affects).</p>	41
IR-4B	Governance	
IR-4B 4.9	<p>An integrated report provides insight about how such matters as the following are linked to its ability to create value:</p> <ul style="list-style-type: none"> · The organization's leadership structure including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure · Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues · Particular action those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management · How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationship with key stakeholders · Whether the organization is implementing governance practices that exceed legal requirements · The responsibility those charged with governance take for promoting and enabling innovation · How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals. 	30-31, 128-129, 130, 143
IR-4C	Business model	29
IR-4D	Risks and opportunities	
IR-4D 4.24	<p>An integrated report identifies the key risks and opportunities that are specific to the organization, including those that relate to the organization's effects on, and the continues availability, quality and affordability of, relevant capitals in the short, medium and long term.</p>	101-102, 152-155

Indicator	Description	Page Number
IR-4D 4.25	<p>This can include identifying:</p> <ul style="list-style-type: none"> · The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two. External sources include those stemming from the external environment. Internal sources include those stemming from the organization's business activities. · The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does. This includes consideration of the specific circumstances that would cause the risk or opportunity to come to fruition. Such disclosure will invariably involve a degree of uncertainty. · The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs. 	101-102, 152-155
IR-4D 4.26	<p>Considering the Guiding Principle, Materiality, the organization's approach to any real risks (whether they be in the short, medium, or long term) that are fundamental to the ongoing ability of the organization to create value and that could have extreme consequences is ordinarily included in an integrated report, even when the probability of their occurrence might be considered quite small.</p>	152-155
IR-4E	<p>Strategy and resource allocation</p>	
IR-4E 4.28	<p>An integrated report ordinarily identifies:</p> <ul style="list-style-type: none"> · The organization's short, medium, and long term strategic objectives · The strategies it has in place, or intends to implement, to achieve those strategic objectives · The resource allocation plans it has to implement its strategy · How it will measure achievements and target outcomes for the short, medium and long term 	42-44
IR-4E 4.29	<p>This can include describing:</p> <ul style="list-style-type: none"> · The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans: <ul style="list-style-type: none"> o Relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change o Are influenced by/respond to the external environment and the identified risks and opportunities o Affect the capitals, and the risk management arrangements related to those capitals · What differentiates the organization to give it competitive advantage and enable it to create value, such as: <ul style="list-style-type: none"> o The role innovation o How the organization develops and exploits intellectual capital o The extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage · Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans. 	60
IR-4F	<p>Performance</p>	

Indicator	Description	Page Number
IR-4F 4.31	An integrated report contains qualitative and quantitative information about performance that may include matters such as: <ul style="list-style-type: none"> Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain The state of key stakeholder relationships and how the organization has responded to the key stakeholder's legitimate needs and interests The linkages between past and current performance, and between current performance and the organization's outlook. 	45-48, 95-101
IR-4F 4.32	KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use).	45-48, 95-101
IR-4F 4.33	It may be relevant for the discussion of performance to include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.	41, 157, 168
IR-4G	Outlook	
IR-4G 4.35	An integrated report ordinarily highlights anticipated changes over time and provides information, built on sound and transparent analysis, about: <ul style="list-style-type: none"> The organization's expectations about the external environment the organization is likely to face in the short, medium and long term How that will affect the organization How the organization is currently equipped to respond to the critical challenges and uncertainties that are like to arise. 	117
IR-4G 4.37	The discussion of the potential implications, including implications for future financial performance, ordinarily includes discussion of: <ul style="list-style-type: none"> The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives The availability, quality and affordability of capitals the organization uses or affects (e.g., the continued availability of skilled labour natural resources), including how key relationships are managed and why they are important to the organization's ability to create value over time. 	117
IR-4H	Basis of preparation and presentation	18
IR-4I	General reporting guidance	29



► Feedback Form

Thank you for reading The Annual Integrated Report 2020 of BPJS Ketenagakerjaan (BPJAMSOSTEK). This report is an overview of the Agency's performance throughout 2020. To improve a better quality of the report, we look forward to receive any inputs, critiques, and suggestions from you in this form.

1. This report is easy to understand.

Agree Neutral Disagree

2. This report has described the Agency's material aspects, from positive and negative aspects.

Agree Neutral Disagree

3. Which material aspects is the most important to you:

(1 = most important up to 5 = least important)

- | | |
|-------------------------------|--------------------------|
| 1. Economic Performance | <input type="checkbox"/> |
| 2. Education and Training | <input type="checkbox"/> |
| 3. Indirect Economic Impact | <input type="checkbox"/> |
| 4. Marketing and Labeling | <input type="checkbox"/> |
| 5. Diversity and Equality | <input type="checkbox"/> |
| 6. Anti-corruption | <input type="checkbox"/> |
| 7. Confidentiality of Members | <input type="checkbox"/> |

4. Advice, suggestion, and/or comments regarding this report:

.....

.....

.....

.....

Your Profile

Name:

.....

Institution/Agency:

.....

Occupation:

.....

Stakeholders Group

- Government
- Employees
- Members
- Partners
- Community
- Media

Kindly send this feedback form back to:

Gedung BPJS Ketenagakerjaan

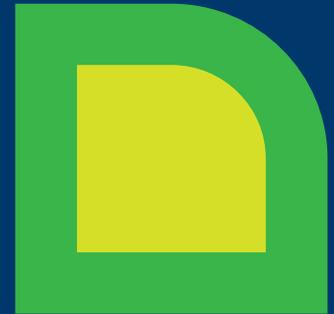
Jl. Gatot Subroto No.79 Jakarta Selatan - 12930

Tel: 021-520 7797

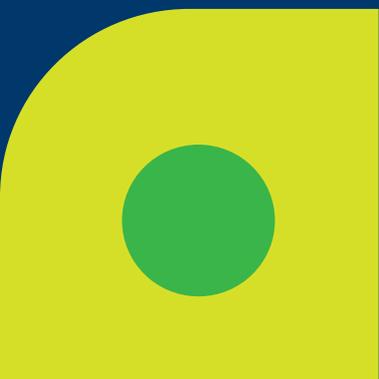
Fax: 021-520 2310

Web: www.bpjsketenagakerjaan.go.id.

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CONSOLIDATED FINANCIAL STATEMENT



**BADAN PENYELENGGARA JAMINAN SOSIAL
KETENAGAKERJAAN AND ITS SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Detailed Financial Reports per Program (JKK, JHT, JP, and JKM) can
be accessed at <http://www.bpjsketenagakerjaan.go.id/>.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
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DIRECTOR'S STATEMENT
REGARDING

THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN

We, the undersigned:

- 1 Name : Anggoro Eko Cahyo
Office Address : Plaza BPJamsostek Lt. 28
Jl. H.R. Rasuna Said Kav. 112 Blok B, Jakarta Selatan, 12910
Domicile Address : Puri Bintaro, PB 14 No. 16 Sektor 9
Phone Number : 021-5207797
Position : President Director
- 2 Name : Asep Rahmat Suwandha
Office Address : Plaza BPJamsostek Lt. 28
Jl. H.R. Rasuna Said Kav. 112 Blok B, Jakarta Selatan, 12910
Domicile Address : Taman Kenari Blok VIC/27 RT 002 RW 011, Puspasari, Citeureup,
Bogor
Position : Asep Rahmat Suwandha
Phone Number : 021-5207797
Position : Finance Director

State that:

1. We are responsible for the preparation and presentation of the Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and Subsidiary for the year ended December 31, 2020 along with comparative information December 31, 2019;
2. The Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and Subsidiary have been prepared and presented in conformity with Indonesian Financial Accounting Standards;
3. a. All information in the Consolidated Financial Statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and Subsidiary have been disclosed in a complete and truthful manner, and
b. The Consolidated Financial Statements of Badan Penyelenggaraan Jaminan Sosial Ketenagakerjaan and Subsidiary do not contain any incorrect information or material facts, nor do they omit information or material facts;
4. We are responsible for Badan Penyelenggara Jaminan Sosial Ketenagakerjaan's internal control system.

This statement is made truthfully.

Jakarta, May 21, 2021


Anggoro Eko Cahyo
President Director


Asep Rahmat Suwandha
Finance Director



Gedung BPJS Ketenagakerjaan Jl. Jend. Gatot Subroto No. 79, Jakarta Selatan - 12930
T (021) 520 7797 F (021) 520 2310 www.bpjsketenagakerjaan.go.id

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2020

(Figures are Expressed in Rupiah, Unless Otherwise Stated)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,238,021,694,848	1,431,518,213,714
Management fee receivables	8	-	22,564,443,550
Investment receivables	9	518,863,280	-
Investment income receivables	10	83,679,336,680	82,869,780,295
Trade account receivables - net of allowance for impairment each of IDR14,432,535,953 and IDR14,351,859,441 on December 31, 2020 and 2019	11	11,598,777,686	16,193,189,887
SKP receivables- net of allowance for impairment each of IDR85,689,599,911 and IDR86,029,988,359 on December 31, 2020 and 2019	12	273,104,681,314	380,726,608,589
Other receivables - net of allowance for impairment each of IDR1,666,381,746 and IDR1,666,381,746 on December 31, 2020 and 2019	13	383,579,579,011	6,463,949,582
Short-term investment	14	5,407,585,450,244	5,647,494,557,779
Advances	15	26,503,007,938	33,242,214,899
Prepaid expenses	16	14,468,429,932	49,869,426,088
Supplies	17	11,074,279,115	11,541,817,241
Assets held for sale	18	730,805,944	260,213,382
TOTAL CURRENT ASSETS		7,450,864,905,994	7,682,744,415,006
NON-CURRENT ASSETS			
Long-term investments	19	5,940,313,790,853	5,925,529,168,559
Investments in associates	20	650,000,000	650,000,000
Investments properties - net of accumulated depreciation each of IDR10,980,767,945 and IDR9,591,842,522 on December 31, 2020 and 2019	21	81,404,590,777	82,793,516,201
Property and equipment - net of accumulated depreciation each of IDR1,288,221,456,824 and IDR1,180,269,509,356 on December 31, 2020 and 2019	22	1,287,462,562,022	1,261,955,751,820
Intangible assets - net of accumulated amortization each of IDR87,056,254,957 and IDR83,081,838,368 on December 31, 2020 and 2019	24	7,455,624,999	11,430,041,584
Right-of-use assets	23	349,435,340,643	-
Claim tax refund	48B	74,978,244,382	203,700,323,434
Deferred tax assets	48D	586,257,994,375	647,331,255,775
Other assets	25	23,148,274,622	21,208,645,992
TOTAL NON-CURRENT ASSETS		8,351,106,422,674	8,154,598,703,365
TOTAL ASSETS		15,801,971,328,668	15,837,343,118,372

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2020

(Figures are Expressed in Rupiah, Unless Otherwise Stated)

	Notes	December 31, 2020	December 31, 2019
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Payable to other parties	26	2,362,818,452	2,516,656,740
Taxes payable	27	84,505,733,568	62,659,401,504
Accrued expenses	28	1,108,598,745,068	1,390,395,542,703
Unearned income	29	2,771,297,229	2,091,054,359
Bank loan	30	-	5,000,000,000
Lease rights liability	23	32,450,282,279	-
Other current liabilities	31	155,846,085,240	175,314,592,425
TOTAL CURRENT LIABILITIES		1,386,534,961,836	1,637,977,247,731
NON CURRENT LIABILITIES			
Post-employment benefits	32	1,947,408,814,830	1,867,779,151,457
Lease rights liability		277,746,696,625	-
TOTAL NON CURRENT LIABILITIES		2,225,155,511,454	1,867,779,151,457
TOTAL LIABILITIES		3,611,690,473,290	3,505,756,399,187
EQUITY			
Equity attributable to equity holders of the parent entity			
Paid in capital	33	9,459,295,255,351	9,459,295,255,351
Additional paid-in capital - SKP	34	1,408,126,715,496	1,408,126,715,496
Surplus balance		2,060,082,141,541	2,005,472,016,543
Other equity components		(737,226,894,982)	(541,310,818,289)
Total equity attributable to equity holders of the parent entity		12,190,277,217,406	12,331,583,169,101
Non-controlling interests	35	3,637,972	3,550,084
TOTAL EQUITY		12,190,280,855,378	12,331,586,719,185
TOTAL LIABILITIES AND EQUITY		15,801,971,328,668	15,837,343,118,372

These Report has been approved and signed by BPJS Ketenagakerjaan

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

As of December 31, 2020

(Figures are Expressed in Rupiah, Unless Otherwise Stated)

	Notes	2020	2019
WITHOUT RESTRICTION FROM RESOURCE PROVIDERS			
REVENUE FOR MANAGEMENT PROGRAM	36		
DJS management - JHT Program		3,106,939,271,287	3,285,190,438,638
DJS management - JKK Program		226,369,062,925	291,339,260,606
DJS management - JKM Program		108,901,740,143	137,936,396,077
DJS management - JP Program		613,959,925,645	986,617,148,041
		4,056,170,000,000	4,701,083,243,362
OPERATING EXPENSE MANAGEMENT PROGRAM	37		
Operating and support expenses		391,576,087,386	712,762,643,861
Personnel and management expenses		3,068,522,542,464	3,096,151,597,391
General expenses and others		628,757,052,087	635,306,247,211
		4,088,855,681,937	4,444,220,488,463
OPERATING SURPLUS (DEFICIT) MANAGEMENT PROGRAM		(32,685,681,938)	256,862,754,899
NON OPERATING INCOME (EXPENSES) MANAGEMENT PROGRAM			
Investment income	38, 50D	825,944,105,673	890,857,537,297
Investment expenses	39, 50E	(119,184,744,715)	(125,712,750,444)
Incentive expenses	40	(397,816,600,676)	(457,727,337,204)
Social responsibility and environment expenses	43	(1,587,887,523)	(28,328,957,036)
		307,354,872,761	279,088,492,613
OPERATING SURPLUS		274,669,190,822	535,951,247,512
NON OPERATING INCOME (EXPENSES)			
Revenue of subsidiary	44	42,790,449,123	58,764,758,839
Operating expenses of subsidiary	45	(75,321,674,238)	(100,415,542,799)
Other income - net	46	158,873,669,829	96,497,324,691
		126,342,444,714	54,846,540,731
SURPLUS BEFORE TAX AND DISTRIBUTION		401,011,635,536	590,797,788,243
SURPLUS DISTRIBUTION			
JHT Program	47	1,272,568,766	33,629,829,458
JKK Program		112,854,719	1,764,508,439
JKM Program		53,431,773	828,675,286
JP Program		382,181,243	7,346,556,366
		1,821,036,501	43,569,569,548
WITH RESTRICTION FROM RESOURCE PROVIDERS			
SKP incomes	41	90,683,651,335	105,095,703,581
SKP expenses	42	(43,671,343,996)	(85,840,642,425)
SURPLUS SKP		47,012,307,339	19,255,061,156
SURPLUS BEFORE INCOME TAX		446,202,906,374	566,483,279,851
INCOME TAX EXPENSES (BENEFITS)			
Current tax	48	189,032,915,500	282,166,912,250
Prior year		120,499,761,235	-
Deferred tax expense (income)		73,199,921,899	(33,961,300,846)
		382,732,598,634	248,205,611,403
SURPLUS CURRENT YEAR		63,470,307,740	318,277,668,448

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

As of December 31, 2020

(Figures are Expressed in Rupiah, Unless Otherwise Stated)

	Notes	2020	2019
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to surplus or deficit			
	32		
Unrealised increase (decrease) in fair value on FVOCI investments		(186,350,171,624)	-
Remeasurement of defined benefits liability		(30,359,757,975)	(268,317,078,639)
Related tax income		12,126,660,499	67,079,269,660
		<u>(204,583,269,100)</u>	<u>(201,237,808,979)</u>
Item that will be reclassified subsequently to surplus or deficit			
Unrealised increase (decrease) in fair value on available for sale investments		-	49,821,473,473
Realized increase (decrease) in fair value increase available for sale investment reclassified to surplus or deficit		-	(62,641,065,552)
		<u>-</u>	<u>(12,819,592,079)</u>
COMPREHENSIVE SURPLUS (DEFICIT)		<u>(141,112,961,360)</u>	<u>104,220,267,390</u>
TOTAL SURPLUS			
ATTRIBUTABLE TO:			
Owner of the parent entity		63,470,195,449	318,277,128,145
Non-controlling interest		112,292	540,302
		<u>63,470,307,740</u>	<u>318,277,668,448</u>
TOTAL OTHER COMPREHENSIVE INCOME			
ATTRIBUTABLE TO:			
Owner of the parent entity		(141,113,049,248)	104,219,756,006
Non-controlling interest		87,888	511,383
		<u>(141,112,961,360)</u>	<u>104,220,267,390</u>

These Report has been approved and signed by BPJS Ketenagakerjaan

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2020

(Figures are Expressed in Rupiah, Unless Otherwise Stated)

	Equity Attributable to Equity Holder of the Parent Entity							Non-controlling Interest	Total
	Paid in Capital	Additional Paid-in Capital - SKP	Operational	Surplus Balance	SKP	Other Equity Component	Total Equity		
Balance on December 31, 2018	9,459,295,255,351	1,408,126,715,496	1,545,489,079,743	141,705,808,655	-	(327,253,446,150)	12,227,363,413,095	3,038,701	12,227,366,451,796
Surplus for the year	-	-	299,022,066,989	19,255,061,156	-	-	318,277,128,145	540,302	318,277,668,446
Other comprehensive income	-	-	-	-	-	(201,237,780,060)	(201,237,780,060)	(28,919)	(201,237,808,979)
Remeasurement of defined benefits liability	-	-	-	-	-	-	-	-	-
Unrealised loss on increasing in fair value on available for sale investment	-	-	-	-	-	49,821,473,473	49,821,473,473	-	49,821,473,473
Realised gain on increasing in fair value on available for sale investment	-	-	-	-	-	(62,641,065,552)	(62,641,065,552)	-	(62,641,065,552)
Balance on December 31, 2019	9,459,295,255,351	1,408,126,715,496	1,844,511,146,732	160,960,869,811	160,960,869,811	(541,310,818,289)	12,331,583,169,101	3,550,084	12,331,586,719,185
Adjustment new SFAS	-	-	(192,902,446)	-	-	-	(192,902,446)	-	(192,902,446)
Surplus for the year	-	-	16,457,888,110	47,012,307,339	-	-	63,470,195,449	112,292	63,470,307,740
Other comprehensive income	-	-	-	-	-	(18,233,073,073)	(18,233,073,073)	(24,403)	(18,233,097,476)
Remeasurement of defined benefits liability	-	-	-	-	-	-	-	-	-
Impairment of financial assets FVOCI	-	-	-	-	-	(186,350,171,624)	(186,350,171,624)	-	(186,350,171,624)
Realized gain on increase in value on financial assets FVOCI	-	-	(8,667,168,004)	-	-	8,667,168,004	-	-	-
Balance on December 31, 2020	9,459,295,255,351	1,408,126,715,496	1,852,108,964,392	207,973,177,150	207,973,177,150	(737,226,894,982)	12,190,277,217,407	3,637,972	12,190,280,855,378

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the year ended December 31, 2020

(Figures are Expressed in Rupiah, Unless Otherwise Stated)

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Receipts of DJS management - JHT Program	3,123,296,095,183	3,314,249,025,028
Receipts of DJS management - JKK Program	229,037,590,751	289,908,773,663
Receipts of DJS management - JKM Program	110,505,349,595	138,261,297,298
Receipts of DJS management - JP Program	617,782,065,736	999,088,214,887
Other receipts	199,857,171,932	275,685,495,720
	<u>4,280,478,273,197</u>	<u>5,017,192,806,597</u>
Payments to employees, suppliers and others	(4,635,556,445,882)	(4,366,619,679,584)
Payments for corporate income tax	(51,206,294,204)	(321,454,399,453)
	<u>(4,686,762,740,086)</u>	<u>(4,688,074,079,037)</u>
NET CASH FLOWS PROVIDED FROM (USED TO) OPERATING ACTIVITIES	<u>(406,284,466,889)</u>	<u>329,118,727,560</u>
INVESTING ACTIVITIES		
Placement of investments	(13,112,365,402,070)	(18,708,158,797,290)
Proceeds from investments	12,333,672,111,990	18,027,505,792,453
Receipts from interest of time deposits	444,827,331,990	149,971,643,683
Bond disbursement	(60,062,949,327)	485,560,787,372
Receipts from interest of bonds	500,092,479,231	387,010,552,624
Sukuk revenue sharing	110,805,948,993	122,274,890,043
Receipts from dividend	58,092,206,756	60,901,253,909
Acquisition of properties investment	5,105,098,527	5,150,618,844
Proceed from sale of property and equipment	6,402,950,795	5,503,457,121
Acquisition of property and equipment	(131,428,254,672)	(176,953,228,401)
NET CASH FLOWS PROVIDED FROM (USED TO) INVESTING ACTIVITIES	<u>215,204,471,540</u>	<u>(126,793,817,014)</u>
FINANCING ACTIVITIES		
Receipts from bank loan	53,000,000,000	79,700,000,000
Payments of bank loan	(53,000,000,000)	(85,354,824,000)
Payments of interest	(595,487,016)	(422,784,465)
Surplus distribution for JHT Program	(1,272,568,766)	(33,629,829,458)
Surplus distribution for JKK Program	(112,854,719)	(1,764,508,439)
Surplus distribution for JKM Program	(53,431,773)	(828,675,286)
Surplus distribution for JP Program	(382,181,243)	(7,346,556,366)
NET CASH FLOWS PROVIDED FROM (USED TO) FINANCING ACTIVITIES	<u>(2,416,523,517)</u>	<u>(49,647,178,013)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(193,496,518,866)</u>	<u>152,677,732,533</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,431,518,213,714</u>	<u>1,278,840,481,181</u>
CASH AND CASH EQUIVALENTS AT THE ENDING OF THE YEAR	<u><u>1,238,021,694,848</u></u>	<u><u>1,431,518,213,714</u></u>

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
For the Year Ended December 31, 2020

1. STATEMENT OF COMPLIANCE TO THE FINANCIAL ACCOUNTING STANDARD

Directors of Social Security Agency for Employment (BPJS Ketenagakerjaan) states that the consolidated financial statements of Badan Penyelenggara Jaminan Sosial Ketenagakerjaan and its subsidiary have been prepared and presented in accordance with Indonesia Financial Accounting Standards, which comprise the Statement of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (IFAS) issued by the Board of Financial Accounting Standards - Indonesian Institute of Accountants (DSAK-IAI). Financial statements are prepared based on the applied accounting policies, in accordance with SAK, which is regulated further in the Director Regulation of BPJS Ketenagakerjaan PERDIR/30/122019 regarding Accounting Guidelines of BPJS Ketenagakerjaan, effective date on December 20, 2019. These financial statements have been presented in accordance with the aforementioned accounting policies.

2. GENERAL

A. ESTABLISHMENT AND GENERAL INFORMATION

The Agency was initially established in the form of a public company, Worker Social Insurance Public Company (ASTEK) on December 5, 1977. The initial status of ASTEK as State - Owned Company was subsequently transformed into a Limited Liability Company (Persero) through the Government Regulation Number 19 Year 1990 named Worker Social Insurance Limited Liability Company (PT ASTEK). In 1993, according to Law Number 3 of 1992, PT ASTEK changed its name to a Worker Social Security Limited Liability Company (PT Jamsostek Persero). On November 25, 2011, Law Number 24 of 2011 concerning Social Security Agency was established. The law is the implementation of Law Number 40 of 2004 concerning the National Social Security System.

Based on Law Number 24 Year 2011 regarding Social Security Agency (BPJS), Article 62, stated that PT Jamsostek (Persero) was changed into Social Security Agency for Employment (BPJS Ketenagakerjaan) on January 1, 2014. PT Jamsostek (Persero) has been declared to dissolve without liquidation, and all assets and liabilities, as well as legal rights and obligations of PT Jamsostek (Persero), became assets and liabilities including legal rights and obligations of the Agency.

Based on the Decree of the Minister of Finance Number: 509/KMK/06/2014 dated October 17, 2014 regarding the authorization of the Opening Statement of Financial Position of BPJS Ketenagakerjaan and authorization of the Opening Statement of Financial Position of DJS Ketenagakerjaan as of January 1, 2014, the Opening Statement of Financial Position of BPJS Ketenagakerjaan which was audited by independent auditor has been authorized.

On July 1, 2015, the Agency fully started its operation by organizing the programs in accordance with Article 29 to Article 38 and Article 43 to Article 46 of the Law Number 40 Year 2004 concerning the National Social Security System by adding Pension Security Program.

The Agency is domiciled in the Capital City of Indonesia and headquarter is located at Plaza BP Jamsostek, HR. Rasuna Said street, kav 112B Setiabudi, South Jakarta. BPJS Ketenagakerjaan has 11 regional offices, 325 branch offices which are located in various cities in Indonesia. The objective of BPJS Ketenagakerjaan is to carry out the implementation of the social security programs that providing of benefits to fulfill the basic needs of living for each participant and/or their family participants.

In accordance with Law Number 24 Year 2011, BPJS Ketenagakerjaan organizes the programs Employment Injury Security Program/Program Jaminan Kecelakaan Kerja (the JKK Program), Old-Age Security Program/Program Jaminan Hari Tua (the JHT Program), Pension Security Program/Program Jaminan Pensiun (the JP Program); and Death Security Program/Program Jaminan Kematian (the JKM Program).

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

The main duties of BPJS Ketenagakerjaan are as follows:

- 1) Conduct and/or accept the registration of participants;
- 2) Charge and collect the contributions from participants and employers;
- 3) Receive contributions from the government;
- 4) Manage the social security funds for the benefit of participants;
- 5) Collect and manage the data of the participants of social security program; and
- 6) Pay benefits and/or to pay for health care service in accordance with the provisions of social security program;
- 7) Provide information regarding the implementation of social security programs to participants and to the public.

B. ASSET MANAGEMENT

Persuant to Government Regulation Number 90 Year 2013 regarding BPJS Ketenagakerjaan asset management, the sources of BPJS Ketenagakerjaan asset are from:

- 1) Indonesian Government initial capital which comprises of state's assets separated and undivided into shares;
- 2) Asset transferred from PT Jamsostek (Persero) which previously managed social security program;
- 3) Investment result from BPJS Ketenagakerjaan's assets;
- 4) Management fee from DJS Ketenagakerjaan, and;
- 5) Other sources as legally permitted by prevailing law and regulations.

C. MANAGEMENT OF SOCIAL SECURITY FUNDS

The Agency is administratively responsible for the implementation of the social security programs, which are JHT Program, JKK Program, JKM Program, and JP Program. The programs are controlled by the Government of the Republic of Indonesia based on the applicable laws and regulations. Each program manages funds of Dana Jaminan Sosial Ketenagakerjaan separately and cannot provide subsidies among each other. Organizing of these programs includes the receipt of contributions, investment activities to obtain investment returns, payment of claims and allocation of management fee for the BPJS Ketenagakerjaan. For the JKK Program and JKM Program, the social security funds management includes the determination of technical reserves, the JHT Program covers the distribution of contributions and investment proceeds to participant funds, and for JP Program includes the determination of present value of actuarial obligations of pension benefits. The amount of management fee for each program for BPJS Ketenagakerjaan is determined by Minister of Finance annually based on the applicable laws and regulations.

D. CAPITAL

The initial capital of BPJS Ketenagakerjaan amounting to IDR7,823,338,452,466 was derived from the transfer of PT Jamsostek (Persero) assets and liabilities as stated in Closing Statement of Financial Position of PT Jamsostek (Persero) as of December 31, 2013 amounting to IDR7,323,338,452,466, and initial capital from the government which is state's assets separated and not divided into shares amounting to IDR500,000,000,000, in accordance with Government Regulation Number 83 Year 2013.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

E. THE BOARD OF SUPERVISORS AND DIRECTORS

Based on the President of the Republic of Indonesia Decree Number 25/P year 2016 concerning the Appointment of Board of Supervisors and Directors of Social Security Agency Year 2016 - 2021 dated February 19, 2016, and President of Republic Indonesia Decree Number 45/P year 2019 dated April 29, 2019, concerning Appointment of Membership Substitution Board of Supervisors of Social Security Agency for the Remaining Term 2016-2021 by Presidential Decree Number 12/P year 2019 dated January 17, 2019, and the decision of Directors Meeting BPJS Number KEP/19/012018 dated January 16, 2018, the composition of Board of Supervisors. Board of Supervisors and Directors of BPJS Ketenagakerjaan are as follows:

Board of Supervisors

	<u>2020</u>	<u>2019</u>
Chairman	: Guntur Witjaksono	Guntur Witjaksono
Member	: Puspita Wulandari	Puspita Wulandari
	: Eko Darwanto	Eko Darwanto
	: Rekson Silaban	Rekson Silaban
	: M. Aditya Warman	M. Aditya Warman
	: Inda D.Hasman	Inda D.Hasman
	: Poempida Hidayatulloh	Poempida Hidayatulloh

Directors

	<u>2020</u>	<u>2019</u>
President Director	: Agus Susanto	Agus Susanto
Strategic Planning and Information Technology Director	: Sumarjono	Sumarjono
Finance Director	: Evi Afiatin	Evi Afiatin
General and Human Resources Director	: Naufal Mahfudz	Naufal Mahfudz
Membership Director	: E. Ilyas Lubis	E. Ilyas Lubis
Service Director	: M. Krishna Syarif	M. Krishna Syarif
Investment Development Director	: Amran Nasution	Amran Nasution

Based on the Presidential Decree, on February 2021 the President of the Republic Indonesia appointed members of the Board of Supervisors and Directors of BPJS Ketenagakerjaan for the following tenure of 5 (five) years. See Note 57 Event after the Date of Reporting.

F. THE COMMITTEES ESTABLISHED BY THE BOARD OF SUPERVISORS

In order to facilitate the task of the Board of Supervisors, 4 (four) committees were established, namely Budget, Audit and Actuarial Committee, Risk Management Monitoring and Information Technology Committee, Organization Performance Management Policies, and Human Resources Committee, and Participants Expansion and Services Committee, based on the Board of Supervisors Regulation Number: PER/08/DEWAS/052016 dated May 10, 2016 concerning the changes of the Board of Supervisors Number: PER/01/DEWAS/072014 concerning the procedures for execution of the functions, duties, and authority of the Board of Supervisors of BPJS Ketenagakerjaan.

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

The Committees established by Board of Supervisors as of December 31, 2020 and 2019 were as follow:

1) Budget, Audit, and Actuarial Committee

	<u>2020</u>	<u>2019</u>
Chairman	: Puspita Wulandari	Puspita Wulandari
Vice Chairman 1	: M. Aditya Warman	M. Aditya Warman
Vice Chairman 2	: Poempida Hidayatulloh	Poempida Hidayatulloh
Member	: Mirawati Sudjono	Mirawati Sudjono
	: Budi Rahayu	Budi Rahayu
	: Yogo Purwono	Yogo Purwono
	: I Nyoman Sardiana	I Nyoman Sardiana

2) Risk Management Monitoring and Information Technology Committee

	<u>2020</u>	<u>2019</u>
Chairman	: Poempida Hidayatulloh	Poempida Hidayatulloh
Vice Chairman 1	: Eko Darwanto	Eko Darwanto
Vice Chairman 2	: Rekson Silaban	Rekson Silaban
Member	: Hartian Surya Widhanto	Hartian Surya Widhanto
	: Lastyo Kunto Aji Lukito	-
	: D. Sulad Sri Hardanto	-

3) Organization Performance Management Policy and Human Resources Committee

	<u>2020</u>	<u>2019</u>
Chairman of the Committee on Performance Management Policy	: Inda D. Hasman	Inda D. Hasman
Chairman of the Committee on HR Management Policy	: M. Aditya Warman	M. Aditya Warman
Vice Chairman	: Puspita Wulandari	Puspita Wulandari
Member	: Teguh Budi Santoso	Teguh Budi Santoso
	: Wustari L. Mangundjaya	Wustari L. Mangundjaya
	: Seta A. Wicaksana	Seta A. Wicaksana

4) Participants Expansion and Services Committee

	<u>2020</u>	<u>2019</u>
Chairman of Participants Expansion	: Rekson Silaban	Rekson Silaban
Chairman of Services	: Eko Darwanto	Eko Darwanto
Vice Chairman	: Inda D. Hasman	Inda D. Hasman
Member	: Muzaenah Zein	Muzaenah Zein
	: Murpin Josua Sembiring	Diah Widawati
	: -	Murpin Josua Sembiring

**BADAN PENYELENGGARA JAMINAN SOSIAL KETENAGAKERJAAN
AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
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G. EMPLOYEES

BPJS Ketenagakerjaan (Parent only) has a total number of 6,045 and 6,202 employees as of December 31, 2020 and 2019, respectively. The total number of employees of BPJS Ketenagakerjaan and its subsidiary were 6,105 dan 6,265 employees as of December 31, 2020 and 2019, respectively.

H. SUBSIDIARY

Name of Subsidiary	Main Activities	Domicile	Start of Commercial	
			Operations	% Ownership
PT Binajasa Abadikarya (PT Bijak)	Outsourcing and other services	Jakarta	1994	99.99

PT Binajasa Abadikarya (PT Bijak) was established based on Notarial Deed No. 1 dated April 6, 1994 of Harun Kamil, SH, a notary in Jakarta which was approved by Minister of Law and Human Rights in his Decision Letter No. C2.11380.HT.01.01 dated July 25, 1994.

PT Bijak head office is located at Jalan Raya Condet No. 27, East Jakarta. Currently, PT Bijak is engaged in the placement of Indonesian workers (domestic and foreign), building management services, outsourcing services, management and flats rental services, parking management services, land asset management services, rental of office space and space other uses, aircraft cleaning services and foodcourt management services.

BPJS Ketenagakerjaan has direct participant in PT Binajasa Abadikarya (PT Bijak) with ownership interest of 99.99%. Total assets of PT Bijak which were consolidated before elimination amounted to IDR45,950,975,268 and IDR46,141,345,872 as of December 31, 2020 and 2019 respectively and the comprehensive income of PT Bijak which was consolidated before elimination amounted to IDR900,855,733 and IDR5,241,672,336 as of December 31, 2020 and 2019 respectively.

The non-controlling interest in PT Bijak is not considered material, thus, BPJS Ketenagakerjaan has not incorporated in the consolidated financial statements the required disclosure for material non-controlling interest of SFAS No. 67 "Disclosure of Interests in Other Entities".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

There were several changes to the accounting policies implemented in 2020 with several adjustments to the financial statements for measurement and recognition values. The following are SFASs that has been effective January 1, 2020:

- SFAS 71: Financial Instruments
This SFAS was issued in July 2017 and has become effective on January 1, 2020 where an early application has been permitted. SFAS 71 replaced SFAS 55 "Financial Instruments: Recognition and Measurement" and introduces new arrangements for the classification and measurement of financial instruments, the recognition, and measurement of allowance for impairment losses, and provides a simpler approach to hedge accounting.
- SFAS 73: Lease
This SFAS introduces a single lessee accounting model and requires lessees to recognize assets and liabilities for all leases with maturities of more than 12 months, except for low value assets. The lessee is required to recognize a right of use asset title to the asset that represents

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its right to use the leased asset and a lease liability that represents its obligation to make lease payments.

- SFAS 73 substantially still uses the accounting requirements of lessors in accordance with SFAS 30 Leases. Therefore, the lessor will still use the classification of leases in operating or financing leases and the treatment of both types of leases. The adoption of SFAS 73 has a significant impact on Note 23.
- IFAS 35: Presentation of Financial Statements of Non-profit Oriented Entities
IFAS 35 introduces the non-profit entity to prepare financial statements that comprise the statement of financial position, statement of comprehensive income, statement of changes in net assets, statement of cash flows, and notes to financial statements.
- The application of IFAS 35 has been applied retrospectively, the amounts for 2019 have been presented as comparative information in the 2020 financial statements that were presented based on IFAS 35.
- SFAS 72: Revenue from Contracts with Customers
Income is recognized in profit or loss when an increase in future economic benefits related to an increase in an asset or a decrease in liability has occurred and can be measured reliably.
- Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in liability has occurred and can be measured reliably.

A. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared and presented based on Indonesian Financial Accounting Standards “FAS” which comprise the statements and interpretations issued by Board of Financial Accounting Standards of Indonesian Institute of Accountants (IAI) and Board of Sharia Accounting Standards of IAI and legislation and implementing regulations relating to the Agency, which is regulated further in the BPJS Ketenagakerjaan Accounting Guidelines (PABASTEK) based on Directors Regulation of BPJS Ketenagakerjaan Number: PERDIR/30/122019 dated December 20, 2019.

The measurement basis used is historical cost, except for certain accounts which are measured on the basis described in relating accounting policies. The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting.

The consolidated statements of cash flows are prepared by classification cash flows into operating, investing and financing activities. The cash flows from operating activities are presented using direct method.

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended December 31, 2020 have been consistent with those adopted in preparation of the consolidated financial statements for the year ended December 31, 2019.

The JHT Program, the JKK Program, the JKM Program, and the JP Program prepare their own financial statements respectively. BPJS Ketenagakerjaan’s consolidated financial statements do not consolidate the financial statements of the Program because it do not meet the consolidated principles based on Financial Accounting Standards in Indonesia (Note 3B).

The Agency prepares a consolidated comprehensive income statement to present income and expenses along with BPJS Ketenagakerjaan’s deficit surplus and its subsidiary in

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managing these Programs. In this report, the term profit and loss are not used but uses the surplus deficit terminology, because BPJS Ketenagakerjaan is a non-profit entity based on capital paid up from the government and the transfer of net assets from PT Jamsostek (Persero).

The Agency prepares a parent only financial statements as an attachment to the consolidated financial statements, investment in subsidiary is presented using the equity method.

B. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of BPJS Ketenagakerjaan and its subsidiary that has been controlled directly or indirectly by BPJS Ketenagakerjaan.

A Subsidiary is an entity controlled by BPJS Ketenagakerjaan, which BPJS Ketenagakerjaan is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of substantive potential voting rights, whereas BPJS Ketenagakerjaan has practical ability to exercise (substantive rights) are considered when assessing whether BPJS Ketenagakerjaan controls another entity.

BPJS Ketenagakerjaan's financial statements consist of operational results, cash flows, assets and liabilities of BPJS Ketenagakerjaan and all of its directly and indirectly controlled subsidiary. The subsidiary is consolidated from the effective date of acquisition, which is the date BPJS Ketenagakerjaan effectively obtains control of the acquired business, until that control ceases.

A parent entity prepares consolidated financial statements using uniform accounting policies for transactions and other events in similar circumstances. All intragroup transactions, balances, surpluses, expenses and cash flows are eliminated in full during consolidation. BPJS Ketenagakerjaan attributed the surpluses or deficit and each component of other comprehensive income to the owner of the parent and non-controlling interest even though this results in non-controlling interests having a deficit balance. BPJS Ketenagakerjaan presents non-controlling interest in the equity component of the consolidated statement of financial position, separately from the equity owner of the parent.

Changes in the parent's ownership in the subsidiary that do not result in loss of control are equity transactions (transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interest change, BPJS Ketenagakerjaan adjusted the carrying amounts of the controlling interest and non-controlling interest to reflect the changes in their relative interest in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent entity.

If BPJS Ketenagakerjaan losses control, BPJS Ketenagakerjaan would:

- 1) Derecognize the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- 2) Derecognize the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);

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- 3) Recognize the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control;
- 4) Recognize any investment retained in the former subsidiary at fair value at the date when control is lost;
- 5) Reclassify to surplus or deficits, or transfer directly to retained earnings if required by other FASs, the amount recognized in other comprehensive income in relation to the subsidiary;
- 6) Recognize any resulting difference as a gain or loss in surplus or deficits attributable to the parent entity.

C. BUSINESS COMBINATION AMONG ENTITIES UNDER COMMON CONTROL

Business combination transaction of entities under common control in form of business transfer concerning to reorganization of entities within the same group of companies does not result in a change of the economic substance of the ownership; thus, the transaction is recognized at carrying value based on pooling of interest method.

Any difference between the amount of consideration transferred and the carrying value of each business combination of entities under common control is recognized as additional paid-in capital as part of equity section in the consolidated statement of financial position.

An entity which is disposing a business unit connected with the disposal of a business unit of an entity under common control recognizes the difference between the consideration received and the carrying amount of the disposed business unit as additional paid-in capital as part of equity section in the consolidated statement of financial position.

D. FOREIGN CURRENCY TRANSLATION

Functional and Reporting Currencies

Items included in the financial statements of each entity within BPJS Ketenagakerjaan and its subsidiary are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are expressed in Rupiah, which is the functional currency of BPJS Ketenagakerjaan and the presentation currency of BPJS Ketenagakerjaan and its subsidiary.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in surplus or deficit. Nonmonetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on equities and similar nonmonetary items measured at fair value are recognized in surplus or deficit, except for the translation differences on non-monetary financial assets available for sale such as shares, which are recognized in the equity component.

As of December 31, 2020 and 2019, the conversion rate, namely the middle rate of Bank Indonesia, used by BPJS Ketenagakerjaan and its subsidiary for USD1 was IDR14,105 and IDR13,901.

E. TRANSACTIONS WITH RELATED PARTIES

As a reporting entity, BPJS Ketenagakerjaan conducts transactions with related parties. A related party is a person or an entity that is related to the reporting entity.

- 1) A person or a close member of that person's family is related to a reporting entity if that person:
 - a) Has a control or a joint control over the reporting entity;
 - b) Has a significant influence over the reporting entity; or
 - c) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- 2) An entity is related to the reporting entity if any of the following conditions apply:
 - a) The entity and the reporting entity are members of the same group (which means that parent, subsidiary, and other subsidiary is related to each other);
 - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c) Both entities are joint ventures of the same third party;
 - d) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity;
 - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is the entity that organizes the program, the sponsoring entity is also related to the reporting entity;
 - f) The entity is controlled or jointly controlled by a person identified in 1).
 - g) A person identified in 1) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether made with or without similar pricing, terms and conditions, as those done with third parties, are disclosed in the consolidated financial statements.

BPJS Ketenagakerjaan is controlled by the Government of the Republic of Indonesia. A government-related entity is an entity that is controlled, jointly controlled or significant influence by a government. Government refers to government, government agencies, and similar bodies, whether local or national. All significant transactions with related parties have been disclosed in the consolidated financial statements.

F. CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and in banks. Cash equivalents are short-term, and highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of placements, and which are not used as collateral and are not restricted.

G. INVESTMENT RECEIVABLES

Investment receivables represent receivables arising from the disposal of BPJS Ketenagakerjaan investments for which payment has not been received until the reporting date. Investment receivables are recognized upon the sale of the investment at the agreed amount.

H. RECEIVABLES OF INVESTMENT

Receivables from investment consist of:

- 1) Receivables arising from contractual interest income from various types of fixed income investments, including time deposits and bonds;
- 2) Receivables arising from dividends, both from shares and mutual funds and profit sharing from Islamic banks; and
- 3) Receivables arising from rental income.

Recognition and measurement of investment receivables are as follows:

- 1) Interest receivables are recognized at the contractual or coupon rate over time;
- 2) Receivables for profit sharing are recognized at the rate of return in line with the passage of time (*ijarah*) or specified yield (*mudharabah*);
- 3) Dividend receivables are recognized when determined at the amount due; and
- 4) Lease receivables are recognized at the contractual amount over time.

I. TIME DEPOSIT

Time deposits with maturities of more than 3 (three) months at the time of placement are presented as “short-term investments”.

J. FINANCIAL INSTRUMENT

FINANCIAL ASSETS

Policy applies from January 1, 2020

Classification, Recognition and Derecognition

BPJS Ketenagakerjaan and its subsidiary use 2 (two) bases to classify financial assets, namely the business model in managing financial assets and the contractual cash flow characteristics of principal and interest payments (SPPI) of financial assets.

SPPI Test

In assessing whether the contractual cash flows have SPPI characteristics, BPJS Ketenagakerjaan and its subsidiary consider the contractual terms of the instrument. This includes assessing whether a financial asset contains contractual provisions that may change the timing or amount of contractual cash flows so that they cannot meet the SPPI conditions. In conducting the assessment, consider:

- 1) Contingent events that will change the amount and timing of cash flows;
- 2) Leverage feature; and
- 3) Liquidity fulfillment.

Business model assessment

BPJS Ketenagakerjaan and its subsidiary determine their business model based on the level that best reflects how a group of financial assets is managed to achieve certain business objectives.

BPJS Ketenagakerjaan and its subsidiary classify financial assets into categories (a) at fair value through profit or loss, (b) at fair value through other comprehensive income, and (c) at amortized cost.

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(a) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless business model tests and contractual cash flow tests indicate that financial assets are classified as measured at amortized cost or fair value through other comprehensive income.

This classification is intended for financial instruments held for trading or at initial recognition have been designated to be measured at fair value through profit or loss.

BPJS Ketenagakerjaan classifies as FVPL financial assets, namely cash and checking accounts in banks, time deposits, shares, mutual funds, debt securities instruments, and KIK-EBA which are determined to be measured at FVPL.

(b) Financial assets at fair value through other comprehensive income

Financial assets are managed in a business model whose objectives are met by obtaining contractual cash flows and selling the financial assets and the contractual terms of the financial assets which on a certain date obtain cash flows solely from the sole payments of principal and interest of the principal amount owed.

Upon initial recognition, debt instruments measured at fair value through other comprehensive income are recognized at fair value plus transaction costs and subsequently measured at fair value wherein gains or losses on changes in fair value, gains or losses on foreign exchange, and impairment losses, recognized as other comprehensive income. Dividends from equity instruments are recognized in profit or loss.

Expected credit losses are recognized as an addition to other comprehensive income in the statement of financial position (does not reduce the carrying amount of financial assets in the financial statements). Interest income is calculated using the effective interest rate method.

On derecognition, the accumulated fair value gain or loss, net of the accumulated expected credit losses, is transferred to profit or loss. Investments in shares designated to be measured at FVOCI, the unrealized gain or loss is recognized as comprehensive income; upon derecognition, the accumulated unrealized gain or loss is transferred to retained earnings in the statement of changes in equity.

BPJS Ketenagakerjaan classifies as financial assets measured at FVOCI including: shares, mutual funds, and debt securities designated as FVOCI assets.

(c) Financial assets at amortized cost

Financial assets measured at amortized cost are amortized if the financial asset is managed in a business model that aims to hold the financial asset to obtain contractual cash flows and the contractual terms of the financial asset, which on a certain date derives cash flow solely from payments of principal and interest of the principal amount owed.

At initial recognition, financial assets measured at amortized cost are recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate.

Interest income on financial assets measured at amortized cost is recognized in the consolidated statements of profit or loss and other comprehensive income and

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recognized as "interest income." When an impairment loss occurs, the impairment loss is recognized as a deduction from the carrying amount of the financial asset, and it is recognized in the consolidated financial statements as "establishment of an allowance for impairment."

BPJS Ketenagakerjaan classifies as assets measured at amortized cost, including receivables and time deposits, KIK-EBA, and debt securities which are designated as measured at amortized cost.

Derecognition of Financial Assets

A financial asset is derecognized when the contractual rights to the cash flow from the financial asset expire or when the financial asset has been transferred. Thus substantially all the risks and rewards of ownership of the asset have been transferred (if substantially all the risks and rewards have not been transferred, then BPJS Ketenagakerjaan and its subsidiary evaluate to ensure continued involvement in the control still has does not prevent derecognition).

Allowance for impairment of financial assets

BPJS Ketenagakerjaan and its subsidiary recognize an allowance for impairment of financial assets which are measured at amortized cost and measured through comprehensive income as follows:

- 1) Impairment of a financial asset at amortized cost is recognized as a deduction from the asset's carrying amount in the statement of financial position, and it is recognized in the statement of profit or loss as "Expense for Establishing Impairment Allowance."
- 2) Impairment of financial assets (excluding equity instruments) measured at fair value through other comprehensive income is recognized as an addition to other comprehensive income in the statement of financial position (not reducing the carrying amount of financial assets in the financial statements) as "Unrealized Gain or Loss," and it is recognized in the income statement as "Expense for Establishing Impairment Allowance."

BPJS Ketenagakerjaan and its subsidiary recognize expected credit losses (ECL) using a complex model that uses a matrix of the probability of default (PD), loss given default (LGD), and exposure at default (EAD) discounted using effective interest rates. BPJS Ketenagakerjaan and its subsidiary use the roll rate or loss rate model for investment instruments with a smaller and less complex value.

a. Probability of Default (PD)

The probability that arises when the debtor defaults are calibrated up to a period of 12 months from the report date (stage 1) or over the life span (stage 2) and are combined with the impact of future economic assumptions that are subject to credit risk. PD is estimated at a point in time where it fluctuates in line with the economic cycle.

b. Loss Given Default (LGD)

BPJS Ketenagakerjaan and its subsidiary estimate LGD based on historical data from recovery rates.

c. Exposure at Default (EAD)

The estimated value of balance sheet exposure at the time of default, taking into account the expected change in expectations over the life of the exposure.

To determine the expected credit losses, these components will be calculated together and discounted to the financial statement date using a discount based on the effective interest rate. The basic inputs, assumptions, and estimation techniques are disclosed in Note 5.

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Expected credit losses (ECL) are recognized for all investment instruments as hold to collect/hold to collect and sell and have SPPI cash flows. Expected credit losses are not recognized for equity instruments designated as FVOCI and FVPL.

ECL reserves are recognized at initial recognition for all financial instruments included in the scope of ECL in connection with a default event that may arise within the next 12 months (referred to as stage 1 with an allowance for impairment losses amounting to 12 months expected credit loss). ECL will continue to be calculated on this basis the asset is impaired.

If a financial asset (or investment instrument) is significantly impaired since initial recognition, an expected credit loss is recognized for a default event that could occur throughout the asset's life (referred to as a 'stage 2 asset' with an allowance for impairment loss equal to the expected credit loss over the asset's life. For example, the age of the asset). Thus, the valuation of investment instruments is made in the context of an increased risk of default that may occur over the remaining life of the financial instrument when compared to expectations at initial recognition for the same period.

To capture the effects of changes on the economic environment in the future, the calculation of the probability of default (PD), loss given default (LGD), and also expected credit losses takes into account forward-looking information; assumptions about patterns of economic variables and asset prices that can have an impact on the debtor's ability to pay, while simpler approaches, such as loss rate models, may not directly take forward-looking information into account.

For investment instruments measured at amortized cost, the balance on the balance sheet reflects gross assets less expected credit losses. For debt instruments in the FVOCI category, the balance sheet's balance reflects the instrument's fair value, with the allowance for impairment losses recorded separately as reserves in other comprehensive income.

Policy applies before January 1, 2020

Regular purchases or sales of financial instruments were recognized on the transaction date.

Financial instruments at initial recognition were measured at fair value, which was the fair value of the cash given up (in the case of financial assets) or received (in financial liabilities). Fair value was determined by reference to the transaction price or the prevailing market price. If the market price cannot be determined reliably, fair value was calculated based on the estimated total future cash payments or receipts, discounted using the prevailing market interest rates for similar instruments with the same or nearly the same maturities. The initial measurement of financial instruments included transaction costs, except for financial instruments, measured at fair value through profit or loss.

Transaction costs were amortized over the life of the instrument using the effective interest rate method.

The classification of financial instruments was carried out based on the acquisition of the instrument's purpose and considering whether the instrument has a quoted price in an active market.

As of December 31, 2019, BPJS Ketenagakerjaan and its subsidiary had financial instruments in the category of financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, held-to-maturity investments, and other financial liabilities - other. Therefore, the accounting policies related to financial liability instruments measured at fair value through profit or loss were not disclosed.

Financial Assets

1) Financial Assets Measured at FVPL

Financial assets measured at FVPL include financial assets acquired for the purpose of selling in the near term (held for trading).

Financial assets measured at FVPL were recorded in the consolidated statement of financial position at fair value. Changes in fair value were recognized directly in surplus or deficits. Interest earned was recorded as interest income, while dividend income was recorded as part of other income according to the terms of the contract, or when the right of payment of dividend has been established.

As of December 31, 2019, the category included BPJS investments in shares and bonds.

2) Loans and Receivables

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are subsequently measured at amortized cost using the effective interest rate method, less any allowance for any impairment.

As of December 31, 2019, this category included cash and cash equivalents, short term investments - time deposits, trade accounts receivable, investment receivables, management fee receivables, other assets, investment receivables, Participant Welfare Facilities/ *Sarana Kesejahteraan Peserta* (SKP) receivable, and other accounts receivable.

3) Held to Maturity Investments

Held to maturity investments were non-derivative financial assets with fixed or determined payments and fixed maturities, and management of BPJS Ketenagakerjaan and its subsidiary have positive intentions and the ability to hold these financial assets to maturity. If BPJS Ketenagakerjaan and its subsidiary sold or reclassified held-to-maturity investments in amounts that were more than insignificant before maturity, then all financial assets in that category were subject to tainting rules and must be reclassified to groups available for sale.

Sales before maturity or reclassification into available for sale categories did not change the positive intention and ability to have other investments until maturity if one of the following conditions was met:

- a) The amount sold or reclassified was not significant.
- b) The issuer had the right to complete a significantly lower amount.
- c) After obtaining substantially all the principal amounts according to the payment schedule or repayment was accelerated.
- d) Related to certain events that were out of control, did not recur, and could not be reasonably anticipated, include:
 - (1) Significant reduction in credibility of the issuer;
 - (2) Changes in tax regulations that eliminate or significantly reduced the status of tax amnesty on investment interest in the HTM category; or
 - (3) Changes in statutory provisions or regulations that significantly changed the rules regarding investments that were allowed or the maximum level of certain types of investments, which in turn causes the entity to release an investment in the HTM category.

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These investments were subsequently measured at amortized cost using the effective interest method, less any impairment in value.

As of December 31, 2019, this category included investment BPJS Ketenagakerjaan and its subsidiary in the form of collective investment asset-backed securities (KIK EBA) and bonds.

4) AFS Financial Assets

AFS financial assets were assets which are designated as such or not classified in any of the other categories and are subsequently measured at fair value with unrealized gains or losses recognized in equity until the investment was derecognized, or determined to be impaired, at which time the cumulative gain or loss would reclassify to profit loss.

As of December 31, 2019, this category included BPJS Ketenagakerjaan investments in shares, mutual funds, and bonds.

Impairment of Financial Assets

At the date of the financial statements, BPJS Ketenagakerjaan and its subsidiary's management reviewed whether a financial asset or group of financial assets was impaired.

1) Assets Carried at Amortized Cost

Firstly, the management assessed whether objective evidence of impairment exists individually for financial assets that were individually significant and individually or collectively for financial assets that were not individually significant. If the management determined that no objective evidence of impairment existed for an individually assessed financial asset, whether significant or not, the asset was included in a group of financial assets with similar credit risk characteristics and that group of financial assets was collectively assessed for impairment. Assets that were individually assessed for impairment and for which an impairment loss, has or continued to be recognized were not included in a collective assessment of impairment.

If there was an objective evidence that an impairment loss has been incurred, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss was charged to surplus or deficit.

If, in a subsequent year, the amount of the impairment loss decreased because of an event occurring after the impairment was recognized, the previously recognized impairment loss was reversed. Any subsequent reversal of an impairment loss was recognized in surplus or deficits, to the extent that the carrying value of the asset did not exceed its amortized cost at the reversal date.

2) Assets at Carried Cost

If there was an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that was not carried at fair value because its fair value could not be reliably measured, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

3) AFS Financial Assets

In the case of equity investments classified as FVOCI, assessment of any impairment would include a significant or prolonged decline in the fair value of the investments below its cost. Where there was evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in surplus or deficit was removed from equity and recognized in surplus or deficits. Impairment losses on equity investments were not reversed through surplus or deficit. Increases in fair value after impairment were recognized directly in equity.

In the case of debt instruments classified as FVOCI, impairment was assessed based on the same criteria as financial assets carried at amortized cost. Interest continued to be accrued at the original effective interest rate on the reduced carrying amount of the asset and was recorded as part of interest income. If, in subsequent year, the fair value of a debt instrument increased and the increase could be objectively related to an event occurring after the impairment loss was recognized in surplus or deficit, the impairment loss was reversed through surplus or deficit.

Derecognition of Financial Assets

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) was derecognized when:

- a) The rights to received cash flows from the assets have expired;
- b) BPJS Ketenagakerjaan and its subsidiary retained the right to receive cash flows from the asset, but has assumed a contractual obligation to pay them in full without material delay to a third party under a pass-through arrangement; or BPJS Ketenagakerjaan and its subsidiary has transferred its rights to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

FINANCIAL LIABILITIES

Policy takes effect January 1, 2020

Classification, Recognition and Derecognition

BPJS Ketenagakerjaan and its subsidiary classify financial liabilities in the category of financial liabilities measured at fair value through profit or loss.

Financial liabilities at fair value through profit or loss

This category consists of two sub-categories: financial liabilities classified as fair value through profit or loss and financial liabilities, which at the time of initial recognition have been determined by BPJS Ketenagakerjaan and its subsidiary to be measured at fair value through profit or loss.

Financial liabilities are classified as fair value through profit or loss if they are acquired principally to sell or repurchase in the near term or part of a portfolio of identified financial instruments managed together and there is evidence of a recent pattern of short-term profit-taking.

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Gains and losses arising from changes in the fair value of financial liabilities classified as fair value through profit or loss are recorded in the consolidated statements of profit or loss and other comprehensive income as income from fair value through profit or loss - net. In addition, interest expense on financial liabilities classified as fair value through profit or loss is recorded in the income account as fair value through profit or loss - net.

Changes in fair value relating to financial liabilities that are designated to be measured at fair value through profit or loss are recognized in the income group at fair value through profit or loss - net. Interest expense on financial liabilities designated to be measured at fair value through profit or loss is recorded in the income account in the fair value through profit or loss - net category.

Derecognition of Financial Liabilities

A financial liability is derecognized when the financial liability has expired because the obligation specified in the contract has been discharged, canceled, or expired, or if there is a substantial change in terms of a financial liability, the contractual financial liability before the change will be written off.

Policy applies before January 1, 2020

The financial liabilities and equity instruments of BPJS Ketenagakerjaan and its subsidiary were classified based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments. The accounting policies applied to these financial instruments are disclosed below.

Other Financial Liabilities

This category represented financial liabilities that were not held for trading or at the time of initial recognition were not designated to be measured at fair value through surplus deficit.

Financial instruments issued or components of such financial instruments, which were not classified as financial liabilities at fair value through surplus deficit, were classified as other financial liabilities if the substance of the contractual agreement required BPJS Ketenagakerjaan and its subsidiary to deliver cash or financial assets to the holder of the financial instrument, or if the liability was settled not through the exchange of cash or other financial assets or own shares that the amount was fixed or has been determined.

Other financial liabilities were then measured at amortized cost based on the effective interest rate.

As of December 31, 2019, this category included payables to third parties, accrued expenses, and bank loans.

Derecognition of Financial Liabilities

Financial liabilities were derecognized when the financial liabilities expired, were canceled, or have expired.

OFFSETTING FINANCIAL INSTRUMENTS

Policy takes effect January 1, 2020

Offsetting financial assets and financial liabilities are presented in the consolidated statement of financial position if they have a legally enforceable right to set off the recognized amounts and intend to settle on a net basis or to realize the asset and settle the liability simultaneously.

A legally enforceable right means:

- a. there are no future contingencies, and
- b. legally enforceable rights in the following conditions:
 - a. normal business activities;
 - b. business failure conditions; and
 - c. condition of default or bankruptcy.

Policy applies before January 1, 2020

Financial assets and financial liabilities were offset, and the net amount was presented in the consolidated statement of financial position if, and only if, BPJS Ketenagakerjaan and its subsidiary had a legally enforceable right to set off the recognized amounts and intended to settle on a net basis or to realize the asset and settle the liability simultaneously.

K. FAIR VALUE MEASUREMENT

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 1) In the main market for the asset or liability or;
- 2) In the absence of a main market, in the most advantageous market for the asset or liability.

BPJS Ketenagakerjaan and its subsidiary must have access to the main or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When BPJS Ketenagakerjaan and its subsidiary uses valuation techniques, it maximizes the use of relevant observable inputs and minimizes the use of inputs that cannot be observed.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy as follows:

- 1) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- 2) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- 3) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, BPJS Ketenagakerjaan and its subsidiary determine whether there are transfers between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

L. ADVANCE

Advances are an amount of money paid to internal or external parties for an activity that is yet to be accounted for directly or indirectly. Advances are recognized at the time the amount is issued. Advances will be derecognized when accounted for. Advances that are not accounted for are to be reclassified to the employees receivables.

M. OFFICE SUPPLIES

Office supplies are supplies of goods to be used for operational activities. Office supplies are recognized in the amount of supplies that have not been used as of the reporting date. Office supplies expenses are recognized at cost which is paid at the time of purchase. The recording system used is periodic. Cost is determined using the weighted-average method.

Allowance for office supplies obsolescence and decline in value of the office supplies are provided to reduce the carrying value of office supplies to their net realizable values.

N. PREPAID EXPENSES

Prepaid expenses are amortized over their beneficial or contract periods using the straight-line method.

O. INVESTMENT PROPERTIES

Investment properties are measured at cost, including transaction costs, less accumulated depreciation and any impairment loss. Land is not depreciated as long as there are no significant constraints on the extension of landrights, and is stated at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated over their estimated useful life of 20 years using the straight-line method.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in surplus or deficits in the year of retirement or disposal.

The fair value of investment properties is disclosed in the notes to the financial statements.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a plan to sell.

The asset's residual values, if any, useful lives and depreciation and amortization method are reviewed and adjusted if the result of the review difference with previous estimation, at each financial year-end.

P. INVESTMENT IN SUKUK

Sukuk investments are classified as financial assets at fair value through profit or loss (FVTPL), fair value through comprehensive income (FVOCI), and amortized cost.

Investment in sukuk is initially measured at cost, including transaction costs. The difference between the acquisition cost and the nominal value is amortized on a straight-line basis over the term of the sukuk. If an indication of impairment exists then the amount of impairment loss is measured as the difference between the recoverable amount of sukuk and its carrying value.

Investment in sukuk is measured at fair value through a surplus deficit and is initially recognized at acquisition costs, excluding transaction costs. After initial recognition, the difference between the fair value and the carrying amount is recognized in surplus or deficit.

Investment in sukuk measured at fair value through other comprehensive income is initially recognized at cost, including transaction costs. After initial recognition, the difference between the acquisition cost and nominal value is amortized on straight-line basis over the term sukuk and recognized in surplus or deficit. Gains or losses from changes in fair value are recognized in other comprehensive income. When the investments in sukuk are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to surplus or deficit as a reclassification adjustment. An impairment loss is recognized in surplus or deficits when the recoverable amount is less than the carrying amount, after taking into account the balance in other comprehensive income.

Q. PROPERTY AND EQUIPMENT

Property and equipment are tangible assets owned to be used in the provision of services, leased to other parties, or administrative purposes and used for more than one period, including property and equipment of Participant Welfare Facility/ *Sarana Kesejahteraan Peserta* (SKP) originating from the transfer of assets and liabilities Additional Services Benefits/ *Manfaat Layanan Tambahan* (MLT).

Direct Acquisition

Property and equipment, except land, and buildings, are carried at cost, excluding day-to-day servicing, less accumulated depreciation and any impairment in value. The land is not depreciated as long as the rights can be extended without significant constraints and presented at cost less impairment, if any.

The initial cost of property and equipment consists of its purchase price, including import duties and taxes and any directly attributable costs in bringing the property and equipment to its working condition and location for its intended use.

Initial legal costs incurred to obtain legal rights are recognized as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognized as intangible assets and amortized during the period of the land rights.

Expenses incurred after fixed assets are used, such as repairs and maintenance costs, are charged to the surplus deficit as incurred. If these expenses meet the definition and criteria for recognition of fixed assets, these expenses are capitalized as additional costs of acquiring fixed assets.

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Depreciation of property and equipment, computed on a straight-line basis over the property and equipment's useful lives as follows:

	<u>Year</u>
Building	20 years
Vehicles	5 years
Office furniture and fixtures	4 years
Computer equipment	4 years
Others equipment	4 years

The remaining residual value of property and equipment are as follows:

	<u>Residual Value</u>
Building	20%
Sedan vehicles	25%
Non sedan vehicles	20%
Motorcycles	10%
Office furniture and fixtures	5%
Computer equipment	5%
Others equipment	5%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

In any significant inspection, its costs are recognized in the carrying amount of the item of property and equipment as a replacement if they meet the recognition criteria. The capitalized significant inspection costs are amortized over the period until the next significant inspection.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising from de- recognition of property and equipment is included in surplus or deficit in the year the item is derecognized.

The asset's residual values, if any, useful lives and depreciation and amortization method are reviewed and adjusted if appropriate, at each financial year-end.

The cost of maintenance and repairs is recognized as an expense as incurred. Expenditures that meet the definition and criteria for recognition of fixed assets, these expenditures are capitalized as additional costs of acquiring property and equipment.

When property and equipment are not used, the book value of property and equipment are reclassified to other assets and not depreciated. When property and equipment that meet criteria of available for sale property and equipment, the book values transfer to available assets for sale and any resulting gains or losses are recognized in the surplus or deficit

Construction in Progress

Construction in progress represents property and equipment under construction which is stated at cost and is not depreciated. The accumulated costs will be reclassified to the respective property and equipment account and will be depreciated when the construction is substantially complete and the asset is ready for its intended use.

R. INTANGIBLE ASSETS

Separately acquired patents and licenses are presented at historical cost minus impairment. Patents and licenses acquired in a business combination are recognized at fair value at the acquisition date. Patents and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of patents and licenses over their estimated useful lives of 4 years.

S. LEASE TRANSACTION

Policy applies from January 1, 2020

BPJS Ketenagakerjaan and its subsidiary define all leases as a finance lease accounting model that recognizes assets and liabilities for all leases with maturities of more than 12 months, except for underlying assets with low values. BPJS Ketenagakerjaan and its subsidiary as lessees recognize a right of use assets representing their rights to use the leased assets (right of use assets) and lease liabilities that represent their obligations to make lease payments.

Substantially, SFAS 73 still uses the accounting requirements for lessors in accordance with SFAS 30 Leases. Therefore, the lessor will still use the classification of leases in operating or financing leases and treat both types of leases.

Policy applies before January 1, 2020

The determination of whether an arrangement was or contained a lease based on the substance of the arrangement, the inception date of whether the fulfillment of the arrangement was dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

Accounting Measurement as a Lessee

Leases which transfer to BPJS Ketenagakerjaan and its subsidiary substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest in the remaining balance of the liability. Finance charges are recognized in surplus or deficit.

BPJS Ketenagakerjaan and its subsidiary recognize lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are recognized at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of the lease liability. The lease liability is the number of rental payments accrued until the end of the lease term, which is discounted using an incremental interest rate.

Leased assets are depreciated over their estimated useful lives. If there is no reasonable assurance that BPJS Ketenagakerjaan and its subsidiary will obtain ownership rights to the asset at the end of the lease term, the leased asset is depreciated over the estimated useful life of the asset or the lease term, whichever is shorter. Lease payments under operating leases are recognized as an expense in a surplus deficit on a straight-line basis over the shorter lease term and the estimated useful life of the asset.

Accounting Measurement as a Lessor

Finance Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. Amounts due from lessees under finance leases are recorded at the amount of BPJS Ketenagakerjaan and its subsidiary's net investments in finance lease.

The difference between the finance lease receivables plus the guaranteed residual value and the acquisition cost of the leased assets is recorded as unearned lease income. This is recognized as finance lease income over the lease period at a periodic rate of return on the net investments in finance lease. Such interest income is recognized as income when already received.

If the leased assets are sold to the lessee before the end of the lease period, the difference between the sales price and the net investments in finance lease is recorded as gain or loss at the time of sale.

Operating Lease

Leases, where BPJS Ketenagakerjaan and its subsidiary retains substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

T. IMPAIRMENT OF NONFINANCIAL ASSETS

BPJS Ketenagakerjaan and its subsidiary assess at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, BPJS Ketenagakerjaan and its subsidiary make an estimate of the asset's recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and impairment losses are recognized in surplus or deficit. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, then the BPJS Ketenagakerjaan and its subsidiary estimate the recoverable amount of the asset. A previously recognized impairment loss for an asset is reversed in profit or loss to the extent that the carrying amount of the assets does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

U. RECOGNITION OF REVENUE AND EXPENSES

Income

Management fee income from social security fund is recognized when the rights to the income arising.

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Investment income is income derived from investment activities.

The investments income consist of:

- 1) Interest income and profit sharing are income earned from an investment instrument in deposits and debt securities;
- 2) Dividend income is income earned on investments in equity securities;
- 3) The rental income is income earned on investment properties;
- 4) Gains on disposal of investment are realized profits from disposal of investment assets;
- 5) Difference in valuation of investment is the unrealized decrease/increase from the change in valuation of investment assets;
- 6) Gain (loss) foreign exchange related to investments in foreign currency are presented as part of the investments income;
- 7) Other investment income is investment income that cannot be classified in any of the existing investment income accounts.

BPJS Ketenagakerjaan recognizes investment income, for each respective type of investment as follows:

- a. Interest income is recognized using the effective interest rate method;
- b. The profit sharing is recognized in accordance with profit-sharing (*Ijarah*) or upon determination of profit sharing (*mudharabah*);
- c. Dividend income is recognized when the right to receive dividend payment is defined which is during the general meeting of shareholders;
- d. Rental income is recognized on straight-line basis over the lease term;
- e. Difference in fair value of financial assets in the FVPL category is recognized equal to the difference between the fair value at the measurement date and the carrying amount;
- f. Gain or loss on disposal is recognized upon disposal of investment amounting to the difference between the sales proceeds and the carrying amount of investment.

Expenses

Expenses are recognized when incurred (accrual basis).

Interest expense for all financial instruments is recognized in surplus or deficit in statement of comprehensive income on an accrual basis using the effective interest rate method.

V. MANAGEMENT FEE OF BPJS KETENAGAKERJAAN

Based on Government Regulation of the Republic of Indonesia Number 55 Year 2015 concerning Amendment of Government Regulation Number 99 Year 2013, percentage of management fee for BPJS Ketenagakerjaan has set out at the highest of 10% (ten percent) from the contributions received of each program (JHT, JKK, JKM, and JP), and the results of the investment of JHT and JP Program, effective January 1, 2016. In programs (JHT, JKK, JKM, and JP), the management fee will be recorded as an operating expenses and be transferred to bank account of BPJS Ketenagakerjaan at the amount calculated.

Year 2020

The percentages of management fees of BPJS Ketenagakerjaan for the year 2020 was set out by the Minister of Finance Regulation Number 224/PMK.02/2019 dated December 31, 2019 stated that percentage of management fees of BPJS Ketenagakerjaan year 2020 in organizing social security program on which the management fees obtained which was be determined in every month based on a certain percentage of monthly received:

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- a. JKK Program contribution.
- b. JKM Program contribution.
- c. JHT Program contribution.
- d. JP Program contribution.
- e. Proceeds from JHT Program investment income.
- f. Proceeds from JP Program investment income.

Proceeds from investment income as the basis of the management fee has been resulted from the fund of investment income less investment expenses. The percentage of management fees for the year 2020 was as follows:

- a. 1.22 % of JKK Program contribution.
- b. 1.22 % of JKM Program contribution.
- c. 4 % of JHT Program contribution.
- d. 4 % of JP Program contribution.
- e. 5 % of proceeds from JHT Program investment income.
- f. 5 % of proceeds from JP Program investment income.

Based on the Minister of Finance Regulation Number 224/PMK.02/2019, the nominal amount of management fee obtained from a certain percentage as referred above should be in the maximum of IDR5,279,705,000,000 (five trillion two hundred seventy-nine billion seven hundred five million rupiahs).

On November 12, 2020, the Minister of Finance Regulation Number 177/PMK.02/2020 concerning Management Fee for the 2020 Employment Social Security Administration was issued, replacing the previous PMK, namely Minister of Finance Regulation Number 224/PMK.02/2019. The percentage of the management fee for 2020 was as follows:

- a. 7.5 % of JKK Program contribution.
- b. 7.5 % of JKM Program contribution.
- c. 4 % of JHT Program contribution.
- d. 4 % of JP Program contribution.
- e. 5 % of proceeds from JHT Program investment income.
- f. 5 % of proceeds from JP Program investment income.

Based on the Minister of Finance Regulation Number 177/PMK.02/2020, the nominal amount of management fee obtained from a certain percentage as referred to above was a maximum of IDR4,056,170,000,000 (four trillion fifty-six billion one hundred and seventy million rupiahs).

Year 2019

The percentages of a management fee of BPJS Ketenagakerjaan for the year 2019 was set out by the Minister of Finance Regulation Number 186/PMK.02/2018, as follows:

- a. 4.94 % of JKK Program contribution.
- b. 4.94 % of JKM Program contribution.
- c. 4.81 % of JHT Program contribution.
- d. 4.81 % of JP Program contribution.
- e. 5 % of proceeds from JHT Program investment income.
- f. 5 % of proceeds from JP Program investment income.

The nominal amount of management fee obtained from a certain percentage as referred above should be in the maximum of IDR5,175,291,375,280 (five trillion one hundred seventy-

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five billion two hundred ninety-one million three hundred seventy-five thousand two hundred and eighty rupiahs).

In accordance with the Directors Regulation of BPJS Ketenagakerjaan Number: PERDIR/100/092015 regarding the Calculation Mechanism of Management Fee for BPJS Ketenagakerjaan, the calculation mechanism of BPJS Ketenagakerjaan management fees for each program determine on a daily basis, except for construction services sector (*Jakon*) and non wage earners (*BPU*) that transferred at least on a weekly basis. Further, the daily and weekly calculations are reconciled monthly. The Agency recorded the transfer of management fees from JHT, JKK, JKM, and JP programs as operating income in the statement of comprehensive income of BPJS Ketenagakerjaan.

The excess on management fees calculation will be adjusted from the management fees calculation that earned from the investment income of JHT and JP Programs. The adjustment mechanism for JHT and JP management fees are calculated based on the total proportion of management fee from realized investment income of JHT and JP Programs.

The result of management fees that derived from the investment income of JHT Program is entirely distributed to all branch offices based on the proportion of JHT balances of each branch to total JHT balance, whereas the result of management fees that derived from the investment income of JP Program is entirely distributed to all branch offices based on the proportion of net assets JP of every branch to total JP net asset balance.

W. EMPLOYMENT BENEFITS

Short-term Employment Benefits

Short-term employment benefits, such as salaries, benefits and other facilities, including paid annual leave, are recognized at an undiscounted amount as liabilities in the consolidated statement of financial position after deducting the amount paid and recorded as expenses in surplus or deficit in the statement of comprehensive income. Including in the short-term employment benefits are benefits in the form of defined contributions for JKK Program, JKM Program, Social Security Health Program, and additional health and work accident benefits for employees.

Post-Employment Benefits

Post-employment benefits include defined contribution and defined benefit. The defined contribution is recognized as an expense in surplus or deficit in the statement of comprehensive income when it occurs in the amount of the outstanding contribution. Post-employment benefits are calculated using the Projected Unit Credit method. Remeasurements of defined benefit obligations are recognized immediately in the consolidated statement of financial position and other comprehensive income in the period in which they are incurred and will not be reclassified to surplus or deficit, but instead will be part of the retained earnings. Other defined benefit liability costs related to defined benefit plans are recognized as surplus or deficit in the statement of comprehensive income.

The Agency also provides post-employment benefits to employees in the form of defined contribution benefits which include: *Tunjangan Hari Tua (THT)* benefit for all employees with contributions of employee and the Agency are respectively set at 4% of the monthly bruto salary, contributions for JHT Program, and contributions for JP Program. The Agency also provides post-employment benefits in the form of defined contribution pension benefits for employees appointed after September 2011, the total defined contribution consists of employee contributions of 5% of monthly basic salary and the Agency contributions of 15.75%.

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The Agency also provides post-employment compensation for defined benefits such as pension benefits, gratuity benefits, and termination benefits. Post-employment benefits in the form of defined pension benefits are provided to employees appointed prior to September 2011, these benefits are managed by Dana Pensiun Manfaat Pasti Jamsostek. Retirement benefits are regular monthly payments to employees starting from employment termination until the employee's death and to their families. Gratuity benefits and termination benefits are set up without special funding and their amount are determined based on years of services and the amount of salary of employees at retirement, these benefits are granted to all employees when termination of employment. Total contributions consist of employee contributions of 5% of monthly basic salary and the Agency of 21.42%.

Other Long-term Employment Benefits

Other long-term employment benefits include long-term paid absences and jubilee benefits that are set up without special funding and its amount are determined based on years of services and the amount of salary of employees, these benefits are granted to all employees who meet the requirements. These benefits are calculated using the Projected Unit Credit method, measurements are recognized directly in a surplus or deficit in the consolidated statement of comprehensive income and the consolidated statement of financial position.

Severance Termination of Work Contracts

Termination benefits are recognized as liabilities and expenses in the consolidated financial statements. If the severance pay is due more than 12 months after the statement of financial position date, the amount of the severance pay is presented at the discounted present value.

X. TAXATION

Current Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all temporarily deductible differences and the forward carry benefit of any unused tax losses. Deferred tax assets are recognized and reviewed at every reporting date and reduced to the extent that it is probable that taxable profit will be available against which the temporarily deductible differences and the carry forward benefit of unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (or tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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Y. PROVISIONS, CONTINGENT ASSETS, AND CONTINGENT LIABILITIES

Provisions, contingent assets, and contingent liabilities are recognized and measured when the condition is met and adequate information is disclosed in the notes to the consolidated financial statements.

Provisions are recognized if the following three conditions are met:

1. BPJS Ketenagakerjaan and its subsidiary have current liabilities (both legal and constructive) as a result of past events;
2. It is probable the settlement of the liability caused by an outflow of resources; and
3. Reliable estimates can be made for the liabilities.

The amount recognized as a provision is the best estimate of the expenditure needed to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to that obligation.

Contingent assets are potential assets arising from past events and their existence becomes certain with the occurrence or non-occurrence of one or more future events that are not fully within the entity's control.

Contingent liabilities are:

1. Potential liabilities arising from past events and their existence become certain with the occurrence or non-occurrence of one or more future events that are not entirely within the entity's control;
2. Current liabilities that arise as a result of past events which are not recognized because:
 - i. There is no possibility of an entity to lead to an outflow of cash or other economic resources to settle its liabilities.
 - ii. The amount of the liability cannot be measured reliably.

Contingent assets and liabilities are not recognized in the statement of financial position. However, contingent assets and liabilities are adequately disclosed in the notes to the consolidated financial statements.

Z. EVENTS AFTER THE REPORTING PERIOD

Post-year-end events that provide additional information about the consolidated statement of financial position of BPJS Ketenagakerjaan and its subsidiary at the reporting date (adjusting events), if any, are reflected in the consolidated financial statements. Events after the end of the year that do not require an adjustment (non-adjusting events), if the amount is material, have been disclosed in the consolidated financial statements.

4. ASSET DEVELOPMENT

Based on the Government Regulation No. 99 Year 2013 concerning Management of Employment Social Security Assets and Government Regulation (PP) Number 55 of 2015 concerning Amendments to PP No. 99 of 2013, and as stated in the Directors Regulation Number: PERDIR/23/092019 concerning Investment Management Guidelines, the asset investment of BPJS Ketenagakerjaan is carried out in the form of investments placed in a domestic investment instrument, which includes:

A. TYPES OF INVESTMENT

1) Time deposits

Time deposits investment including deposit on call and deposits with maturity of less than or equal to 1 (one) month and non-negotiable certificate deposit at the bank, at the maximum of 15% (fifteen percent) of the total investments for each bank.

2) Debt securities issued by government of the Republic of Indonesia

There is no limit on the amount and percentage.

3) Debt securities issued by Bank Indonesia

There is no limit on the amount and percentage.

4) Listed corporate bonds and widely traded in the Stock Exchange

a) Investments of listed corporate bonds and widely traded in the Stock Exchange for every issuer shall be at the maximum of 5% (five percent) of the investments and the total shall be at the maximum of 50% (fifty percent) of the total investments;

b) Minimum has an A- or equivalent rating from a securities rating company that has obtained a permit from a supervisory agency in the capital market sector.

5) Share listed in the Stock Exchange

Investments of shares listed in the Stock Exchange for every issuer shall be at the maximum of 5% (five percent) of the investments and the total shall be at the maximum of 50% (fifty percent) of the total investments.

6) Mutual funds

a) Investments on mutual funds for every investment manager shall be at the maximum of 15% (fifteen percent) of the investment and the total shall be at the maximum of 50% (fifty percent) of the total investments;

b) Investments comply with the provision of the law in capital markets.

7) Asset-backed securities

a) Investments in assets backed securities for each investment manager or issuer shall be at the maximum of 10% (ten percent) investment and the total shall be at the maximum of 20% (twenty percent) of the total Investments;

b) Investments have received effective notice from the supervisory agency in the capital markets sector;

c) Investments at least have a rating of A- or equivalent rating from securities rating company that has obtained permit from the supervisory agency in the capital markets sector and have issued through public offering as regulated in the capital market sector.

8) Real estate investment fund

a) Investments in real estate investment for each investment manager or issuer shall be at the maximum of 10% (ten percent) investment and the total shall be at the maximum of 20% (twenty percent) of the total Investments;

b) The investments have received effective notice from the supervisory agency in the capital markets sector. The investments at least have a rating of A- or equivalent rating from securities rating company that has obtained permit from the supervisory agency in the capital markets sector;

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- c) Investments have been issued through public offering as regulated in the capital market sector.
- 9) Repurchase agreement
- Investment on repurchase agreement for every counterpart shall be at the maximum of 2% (two percent) of investment and the total shall be at the maximum of 5% (five percent) of the total investments;
 - Using standard contract with the Global Master Repurchase Agreement (GMRA);
 - The type of collateral is limited to securities issued by government of the Republic of Indonesia and/or Bank Indonesia;
 - Investments period, not more than 90 days;
 - The value of repurchase agreement is not more than 80% of the market value of securities pledged as collateral.
- 10) Direct investment
- Investments on direct investment for every party shall operate at the maximum of 1% (one percent) of investment and the total shall be at the maximum of 5% (five percent) of the total investments;
 - Business entities engaged in an area supporting the implementation of the tasks of the Agency in organizing social security programs;
 - Business entities that are not engaged in the financial services;
 - No potential conflict of interest in the cooperation.
- 11) Land, buildings, or land and buildings
- Investments on lands, buildings, or land and buildings shall be at the maximum of 5% (five percent) of total investments;
 - Resulting income to BPJS Ketenagakerjaan;
 - Not placed on the land, buildings, or land and building that are being pledged, in dispute or blocked by other parties.
- 12) Listed local government bonds issued by the local government and widely traded in the Stock Exchange
- Investments on listed local bonds issued by the local government and widely traded in the Stock Exchange for every issuer shall be at the maximum of 5% (five percent) of the investment and the total shall be at the maximum of 50% (fifty percent) of the total investments;
 - Investments have received effective notice from the supervisory agency in the capital markets sector;
 - Investments at least have a rating of A- or equivalent from a securities rating company that has obtained a permit from the supervisory agency in the capital markets sector.

B. CUSTODIAN

The following is a list of custodians who manage investments of BPJS Ketenagakerjaan assets:

No.	Custodian name	No. SPK/ contract	Date of SPK/contract	Type of investment management
1	Bank Negara Indonesia	PER/309/122019	December 19, 2019	Securities/security depository, transaction handling, corporate action management.

5. USE OF ESTIMATES, JUDGMENTS, AND ASSUMPTIONS

In the application of accounting policies, which are described in Note 3 to the consolidated financial statements, the Agency is required to make estimates, judgments, and assumptions about the carrying amounts of assets and liabilities that are not available apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The Agency believes that the following disclosures represent a summary of the significant estimates, judgments, and assumptions made that affected certain reported amounts and disclosures in the consolidated financial statements.

Judgments

The following judgments are made by BPJS Ketenagakerjaan and its subsidiary in the process of applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

a. **Classification of Financial Assets and Liabilities**

BPJS Ketenagakerjaan and its subsidiary determined the classifications of certain assets and liabilities as financial assets and liabilities by assessing whether the assets and liabilities meet the definition set forth in SFAS No. 71. Accordingly, the financial assets and liabilities are accounted for in accordance with BPJS Ketenagakerjaan and its subsidiary's accounting policies disclosed in Note 3.

b. **Allowance for Impairment of Financial Assets**

Allowance for impairment of financial assets measured at amortized cost (2019: loans and receivables) is recognized at an amount that BPJS Ketenagakerjaan considers is adequate to cover possible uncollectible financial assets. In addition, at each consolidated statement of financial position date, BPJS Ketenagakerjaan and its subsidiary specifically assess whether there has been a significant increase in credit risk or objective evidence that a financial asset has been impaired (uncollectible).

The allowance level is based on the collectability past and other factors that may influence it, such as the probability of insolvency or significant financial difficulties of the instrument publisher, or significant delay in payments.

If there is objective evidence of impairment, the amount that can be collected is estimated based on the experience of past losses taking into account future conditions. Allowance is provided on accounts specifically identified as impaired. Written off financial assets are based on management's decisions in accordance with the provisions of applicable laws and regulations, namely: that the financial assets are uncollectible or cannot be realized in whatsoever actions have been taken. Evaluation of receivables to determine the total allowance to be provided is performed periodically during the year. Therefore, the timing and amount of allowance recorded at every period might differ based on the judgments and estimates that have been used by looking at future conditions (forward-looking).

c. **Lease Commitments**

Operating Lease Commitments - BPJS Ketenagakerjaan and its subsidiary as Lessee

BPJS Ketenagakerjaan and its subsidiary have signed a number of space rental agreements. BPJS Ketenagakerjaan and its subsidiary determine that the lease is an operating lease

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because BPJS Ketenagakerjaan and its subsidiary do not bear significant risks and benefits of ownership of these assets.

Operating Lease Commitments - BPJS Ketenagakerjaan and its Subsidiary as Lessor

BPJS Ketenagakerjaan and its subsidiary have signed a large number of space rental agreements. BPJS Ketenagakerjaan and its subsidiary determine that the lease is an operating lease because BPJS Ketenagakerjaan and its subsidiary bear all the risks and benefits of ownership of these assets significantly.

Finance Lease Commitment - BPJS Ketenagakerjaan and its Subsidiary as Lessee

PT Bijak, subsidiary, has entered into a vehicle rental agreement. PT Bijak, subsidiary, determines that the lease is a finance lease because the lease provides purchase options at the end of the lease period, and PT Bijak, subsidiary, bears significant risks and rewards of ownership of these assets.

d. Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain due to different interpretations of tax regulations. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination is made.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed below. BPJS Ketenagakerjaan and its subsidiary based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes on circumstances arising beyond the control of BPJS Ketenagakerjaan and its subsidiary. Such changes are reflected in the assumptions when they occur.

a. Fair Value of Financial Assets and Liabilities

Indonesian Financial Accounting Standards require measurement of certain financial assets and liabilities at fair values, and the disclosure requires the use of estimates. Significant component of fair value measurement is determined based on verifiable objective evidence (i.e. foreign exchange rate, interest rate), while timing and amount of changes in fair value might differ due to different valuation methods used.

b. Estimated Useful Lives of Investment Properties and Property and Equipment

The useful life of every of the item of BPJS Ketenagakerjaan and its subsidiary's investment properties and property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if the estimate differs from the previous estimate due to usage, technically or commercially obsolete and limitations on rights or other restrictions on the use of assets. As such, the results of future operations may be significantly affected by changes in the amount and timing of costs due to changes

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caused by the factors mentioned above. A decrease in the estimated useful life of each fixed asset will result in an increase in depreciation expense and a decrease in the carrying value of the fixed assets.

c. Impairment of Intangible Assets

Intangible assets, other than goodwill, are tested for impairment when an indication of impairment has occurred. For goodwill, an impairment test must be conducted at least once a year regardless of whether there has been an indication of impairment. Determining the value in intangible assets requires an estimation of cash flows that are expected to result from the continued use and final disposal of the asset as well as the appropriate discount rate to calculate the present value.

The Agency believes that the assumptions used in the estimated use values in the consolidated financial statements are appropriate and reasonable, however, significant changes in these assumptions can have a significant impact on the amount of recoverable value and the amount of impairment losses that may have a material impact on BPJS Ketenagakerjaan and subsidiary operating results.

d. Impairment of Nonfinancial Assets

Impairment review is performed when certain impairment indicators are present. Determining the fair value of assets requires the estimation of cash flows expected to be generated from the continued use and final disposal of such assets. Any significant changes in the assumptions used in determining the fair value may materially affect the assessment of recoverable values and any resulting impairment loss could have a material impact on results of operations of BPJS Ketenagakerjaan and its subsidiary.

e. Post-Employment Benefits

The determination of post-employment benefits obligations and other long-term benefits are influenced by certain assumptions used by actuary in calculating such amounts. Those assumptions are described in Note 32 and include, among others, the rate of increase in salary, and the discount rate determined by reference to market returns on high-quality government bond interest in the same currency as the currency in which payments are paid and have a term that is close to the estimated period of the employment benefit liability. Actual results that differ from BPJS Ketenagakerjaan and its subsidiary's assumptions are charged to comprehensive income and therefore, generally affect the recognized comprehensive income and recorded obligation in such future periods. The Agency believes that the assumptions used are appropriate and reasonable, however, significant differences in actual results, or significant changes in these assumptions can have a significant impact on the amount of the employment benefits liability. See Note 32 for employee benefit liabilities.

f. Deferred Tax Assets

Deferred tax assets are recognized for all temporary differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. See Note 48 tax expense (income).

g. Sustainable Program

The Agency has been implemented based on Law no. 40 of 2004 concerning the National Social Security System and Law no. 24 of 2011 concerning the Social Security Agency. One of the principles of the implementation of social security is portability, namely the principles that provide sustainable guarantees even if participants change jobs or live within the territory of the Unitary State of the Republic of Indonesia. Funding for the BPJS Ketenagakerjaan Program comes from operational funds for program contributions and the development of BPJS Ketenagakerjaan assets. The Government is authorized to make various efforts to continue to be carried out sustainably. The Directors has assessed its ability to continue its program and believes that the Agency has the resources to continue its program in the future with the support of the Government and the laws and regulations. Therefore, the financial statements have been prepared based on a sustainable program.

6. RISK MANAGEMENT

Inline concerning best practice standards for risk management adopted by BPJS Ketenagakerjaan, ISO 31000:2018 Risk Management Guidelines, the risk classification for BPJS Ketenagakerjaan are as follows:

A. THE RISKS FACING BPJS KETENAGAKERJAAN

1) CREDIT RISK

Credit risk consists of the potential occurrence of default on the issuer or issuer of debt/securities owned by the Agency. It can be in the form of coupons or principal debt at maturity.

Parties related to the entity in this context are investment partners and other parties who support the entity's operational activities for program management. The business partners include investment fund management companies, transaction brokerage companies, investment consulting companies, property asset management companies.

2) MARKET RISK

Market risk consists of the potential occurrence of movements in the market value of one or several investment instruments (portfolio) due to price volatility factors and/or market supply-demand mechanisms.

The Agency exposure to price fluctuations comes from investment instruments that are traded and held to maturity. This risk is related to the correction in the price of investment instruments due to the influence of fluctuations in the fundamentals of the issuing company and or changes in macroeconomic conditions such as the level of economic activity, inflation rate, fluctuations in the Rupiah exchange rate against foreign currencies, trading volume and interest rates.

3) LIQUIDITY RISK

Liquidity risk is a potential event where the investment instruments owned by BPJS Ketenagakerjaan are in an illiquid condition so that it is difficult to conduct sales transactions (related to investment activities), including the potential event of the Agency inability to meet short-term/maturity obligations due to the lower value of liquid assets that can be used to meet short-term/maturity obligations (related to non-investment operational activities).

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Liquidity risk related to non-investment operational activities is contained in activities to fulfill obligations to participants or other parties according to the time and amount that has been previously determined.

4) STRATEGIC RISK

Strategic risk is the risk inherent in BPJS Ketenagakerjaan's efforts to achieve its strategic goals or objectives. These risks include risks related to the strategic targets stated in the BPJS Ketenagakerjaan's strategic planning/RKAT, institutional & regulatory relations, and macroeconomics.

5) OPERATIONAL RISK

Operational risk is the risk that occurs due to the inability/failure of the entity to perform an activity or a series of activities in the business process optimally due to internal or external factors of the entity. Operational risk can be sourced from internal operations, human resources, infrastructure, K3 (health, safety, and security), or counterparties.

6) REPUTATION RISK

Reputational risk includes the risk due to injury to the entity's reputation or the decline in the public's positive view/assessment of the entity's image or the existence of negative public views/judgments of the entity's image. Reputation risk will impact business continuity in the short, medium and/or long term.

7) LEGAL RISK

Legal risk is the risk that occurs due to potential lawsuits/legal sanctions borne by the entity due to uncertainty and/or differences in legal interpretation between the entities and other parties regarding the products/services produced and operational activities or actions taken by both parties.

8) COMPLIANCE RISK

Compliance risk is the risk that occurs due to non-compliance/violation and/or inability of the entity/its personnel to comply with the provisions of applicable laws, regulations, and laws from the external and internal environment of BPJS Ketenagakerjaan.

9) INFORMATION TECHNOLOGY RISK

Information technology risk is the risk that occurs due to the failure or non-optimal use, ownership, operation, involvement, influence, and application of BPJS Ketenagakerjaan's information technology. Information technology risk can be sourced from application development, information technology infrastructure, and information technology governance.

B. MACRO ECONOMIC CONDITIONS

In the Q4 of 2020, the Indonesian economy contracted by -2.19% (YoY), improving from the previous quarter, which was -3.49% (YoY). It happened because of low private consumption and building investment due to the limited mobility caused by the covid-19 pandemic. Rupiah's exchange rate depreciated at 4.81% at the end of March 2021 compared to the beginning of January 2021. The inflation rate in March 2021 was 1.37% (YoY), a slight decrease compared to the previous month's inflation rate of 1.38% (YoY), but it was still on the inflation target of 3%±1%. The low domestic demand influenced the low inflation.

In December 2020, Bank Indonesia decided to decrease the BI 7-Day Reverse Repo Rate by 3.75%. This decision considers inflation forecasts that remain low, maintained external

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stability, accelerated national economic recovery in the era of the Covid-19 pandemic, as well as Bank Indonesia's commitment to supporting the provision of liquidity in accelerating the realization of the 2020 APBN. Bank Indonesia has purchased SBN for funding and burden-sharing in the 2020 APBN for the national economic recovery program of IDR473.42 trillion. During the Covid-19 pandemic, the ICI (ISHG) reached the lowest point at 3937 on March 24, 2020, decreased by 37.75% from its highest end of 6325 on January 14, 2020. However, the ICI trend has shown improvement, upward trend/bullish at 5979 on December 30, 2020.

The development of the global Covid-19 pandemic shows the number of cases is increasing even though the fatality rate is decreasing. Nevertheless, global economic performance continues to show improvement, especially in China and the US. This improvement in the global economy is influenced by vaccinations, increased mobility, and continued fiscal and monetary policy stimulus. This led to an increase in world trade volume and commodity prices and a slight decrease in global financial market uncertainty, thereby increasing capital flows and encouraging the strengthening of currencies in various countries, including Indonesia.

However, it is still necessary to pay attention to global financial market conditions. The risk from the continued impact of Covid-19 on financial system stability could cause global financial uncertainty to increase again. This could lead to reduced capital flows to developing countries, which resulted in continued pressure on currencies in various countries, including Indonesia. In addition, pressure on the domestic financial market led to a decline in stock prices, increased bond yields, and the weakening of the Rupiah against the US dollar.

Risks related to investment and finance are managed by reviewing each investment portfolio, reviewing the fundamental aspects and risk aspects related to new investment placement plans, and implementing the Investment Crisis Protocol (ICP) for early warning of possible failures in achieving targets. The entity's strategy, especially in the investment and finance sector.

