



PRESIDENT OF THE REPUBLIC OF INDONESIA

LAW OF THE REPUBLIC OF INDONESIA NUMBER 24 OF 2011

CONCERNING

THE SOCIAL SECURITY ADMINISTRATIVE BODY

BY THE GRACE OF GOD ALMIGHTY,

PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering : a. whereas the national security system is a state program with aim to ensure the protection and social welfare for all people;

b. whereas in order to realize the goal of national social security system, it is necessary to establish administrative body in form of legal entity on the basis of the principles of mutual assistance, non-profit, transparency, prudence, accountability, portability, compulsory participation, trust fund,

and the investment yields of the social security funds is used entirely for program benefits and in the best interests of the participants;

c. whereas pursuant to Article 5 paragraph (1) and Article 52 of Law Number 40 of 2004 concerning the National Social Security System, Social Security Administrative Body shall be established by Law constituting the transformation of the four State-Owned Enterprises to accelerate the implementation of the National Security System for the whole people of Indonesia;

d. whereas pursuant to considerations as meant in letter a, letter b, and letter c, it is necessary to enact the Law concerning the Social Security Administrative Body;

in view of : 1. Article 20, Article 21, Article 23A, Article 28H paragraph (1), paragraph (2) and paragraph (3), and Article 34 paragraph (1) and paragraph (2) of the

1945 Constitution of the Republic of
Indonesia;

2. Law Number 40 of 2004 concerning the
National Social Security System (State
Gazette of the Republic of Indonesia of
2004 Number 150, Supplement to the
State Gazette of the Republic of
Indonesia Number 4456);

With the Mutual Consent of

THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

And

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

DECIDED:

To stipulate : THE LAW CONCERNING THE SOCIAL SECURITY
ADMINISTRATIVE BODY.

CHAPTER I

GENERAL PROVISION

Article 1

In this Law the meaning of:

1. Social Security Administrative Body,
hereinafter abbreviated as BPJS, is a

legal entity established to administer the social security program.

2. Social Security is a form of social protection to guarantee that all people may fulfill their basic life needs decency.

3. Social Security Fund is a trust fund belonging to all participants consisting of contributions including their investment income, which is managed by BPJS for the payment of benefits to the participants and for the operational costs of administering the Social Security program.

4. Participants are all people, including expatriates who have worked for at least 6 (six) months in Indonesia, who have paid contributions.

5. Benefits are the social security benefits to which participants and/or their family members are entitled.

6. Contributions are money paid regularly by the Participants, employers, and/or the Government.
7. Contribution Aid is contribution paid by the Government for the poor and the underprivileged to the Social Security Program.
8. Employee is anyone who works and earns salary, wage or other forms of remuneration.
9. Employer is an individual, entrepreneur, legal entity, or other entity employing workers or state agencies employing civil servants that provide salary, wage, or other forms of remuneration.
10. Salary or Wage is Employees' right received and paid in form of money as remuneration from Employer to the Employees received and paid pursuant to employment agreement, contract, or regulations of law, including allowances for the Employees and their

families for work and/or service performed.

11. National Social Security Council, hereinafter abbreviated as DJSN, is a council assisting the President in the formulation of public policies and synchronization implementation of the national social security.

12. Board of Supervisors is part of BPJS structure supervising the implementation of BPJS management by the board of directors and advising the board of directors in the administration of Social Security program.

13. Board of Directors is part of BPJS structure that has authority and full responsibility to the management of BPJS for BPJS interests, in accordance with the bases, objectives, and principles of BPJS, as well as representing BPJS, inside and outside the court, in accordance with the provisions of this Law.

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

Article 2

BPJS shall administer the national social security system on the bases of:

- a. Humanity;
- b. Benefits; and
- c. Social justice for all people of Indonesia.

Article 3

BPJS aims to actualize the provision which guarantees the fulfillment of basic life needs adequately for every Participant and/or his/her family members.

Article 4

BPJS shall administer the national security system under the principles of:

- a. Mutual assistance;
- b. Non-profit;
- c. Transparency;
- d. Prudence;

- e. Accountability;
- f. Portability;
- g. Compulsory participation;
- h. Trust fund; and
- i. Investment yields of Social Security Fund to be entirely used for program development and in the best interests of the Participants.

CHAPTER II

ESTABLISHMENT AND SCOPE

Part One

Establishment

Article 5

(1) BPJS shall be established under this Law.

(2) BPJS as meant in paragraph (1) shall be:

- a. BPJS Health; and
- b. BPJS Employment.

Part Two

Scope

Article 6

(1) BPJS Health as meant in Article 5 paragraph (2) letter a shall administer the health program.

(2) BPJS Employment as meant in Article 5 paragraph (2) letter b shall administer the following programs:

- a. Work accident;
- b. Old-age;
- c. Pension; and
- d. Death.

CHAPTER III

STATUS AND DOMICILE

Part One

Status

Article 7

(1) BPJS as meant in Article 5 is a public legal entity pursuant to this Law.

(2) BPJS as meant in paragraph (1) shall be responsible to the President.

Part Two

Domicile

Article 8

(1) BPJS as meant in Article 5 shall be domiciled and headquartered in the capital city of the Republic of Indonesia.

(2) BPJS as meant in paragraph 91) may have representative offices in provinces and branch offices in the regency/city.

CHAPTER IV

FUNCTIONS, DUTIES, AUTHORITIES, RIGHTS AND OBLIGATIONS

Part One

Functions

Article 9

(1) BPJS Health as meant in Article 5 paragraph (2) letter a shall administer the health program.

(2) BPJS Employment as meant in Article 5 paragraph (2) letter b shall administer the work accident program, death program, pension program, and old-age program.

Part Two

Duties

Article 10

In performing the functions as meant in Article 9, BPJS duties are to:

- a. Conduct and/or receive Participant registration;
- b. Raise and collect Contributions from the Participants and Employers;
- c. Receive Contribution Aid from the Government;
- d. Manage the Social Security Funds for the benefit of Participants;
- e. Collect and manage Participants data of the Social Security program;
- f. Pay Benefits and/or finance the health services in accordance with the provisions of the Social Security program; and
- g. Provide information on the administration of the Social Security

programs to the Participants and society.

Part Three
Authorities

Article 11

In performing the duties as meant in Article 10, BJS shall be authorized to:

- a. Collect Contributions;
- b. Invest the Social Security Funds in short-term and long-term investment by considering aspects of liquidity, solvency, prudence, security of funds, and adequate results;
- c. Supervise and inspect the Participants' and Employers' compliance in fulfilling its obligations in accordance with the provisions of laws and regulations on national social security;
- d. Negotiate with healthcare facilities concerning the healthcare cost which refers to the standard rate set by the Government;

- e. Create or terminate contracts with health facilities;
- f. Enforce administrative sanctions to Participants or Employers not fulfilling their obligations;
- g. Report Employers to relevant authorities of their disobedience in paying Contribution or in fulfilling other obligations pursuant to the regulations of law; and
- h. Cooperate with other parties in the administration of the Social Security programs.

Part Four
Rights

Article 12

In performing authorities as meant in Article 11, BPJS shall be entitled to:

- a. Obtain operational funds for administering the programs from the Social Security Funds and/or other sources in accordance with the regulations of law; and

- b. Obtain the monitoring and evaluation report of the administration of the Social Security programs from DJSN for every 6 (six) months.

Part Five

Obligations

Article 13

In performing duties as meant in Article 10, BPJS shall be obliged to;

- a. Provide a single identity number to the Participants;
- b. Invest the Social Security Funds and BPJS assets in the best interest of the Participants;
- c. Provide information through printed and electronic media about the performance, financial condition, as well as the assets and investment results;
- d. Provide Benefits to all Participants in accordance with the Law on National Social Security System;

- e. Inform Participants of their rights and obligations to follow the applicable provisions;
- f. Inform the Participants of the procedures to obtain their rights and fulfill their obligations;
- g. Inform the Participants of the balance of their old-age benefits and their yields once in 1 (one) year;
- h. Inform the Participants of the amount of their pension benefits once in 1 (one) year;
- i. Establish technical reserve in accordance with the general and commonly accepted actuarial standards of practice;
- j. Prepare accounting in accordance with applicable accounting standards for the administration of the Social Security program; and
- k. Provide periodic report of the administration of each program,

including financial condition, every 6 (six) months to the President with a copy to DJSN.

CHAPTER V

PARTICIPANT REGISTRATION AND CONTRIBUTION PAYMENT

Part One

Participant Registration

Article 14

Everyone, including expatriates working for at least 6 (six) months in Indonesia, shall be obliged to become participant of Social Security program.

Article 15

- (1) Employers shall gradually register themselves and their employees as Participants with BPJS in accordance with the Social Security programs in which they participate.
- (2) Employers, in conducting registration as meant in paragraph (1), shall provide complete and accurate data of themselves and their employees' along with their family members to the BPJS.

(3) The gradual stages as meant in paragraph (1) shall be regulated by Presidential Regulations.

Article 16

(1) Any person, other than Employers, Employees, and Contribution Aid recipients, qualifying as Participants in Social Security program shall register himself/herself and his/her family members with BPJS in accordance with the Social Security programs in which they participate.

(2) Any person as meant in paragraph (1) shall provide complete and accurate data of themselves and their family members to the BPJS.

Article 17

(1) Employers other than state agencies not complying the provisions as meant in Article 15 paragraph (1) and paragraph (2), and anyone not complying the provisions as meant in Article 16 shall be subject to administrative sanctions.

(2) Administrative sanctions as meant in paragraph (1) may be in the following forms:

- a. Written warning;
- b. Fines and/or
- c. Will not receive certain public services.

(3) The sanctions imposed as meant in paragraph (2) letter a and letter b shall be carried out by BPJS.

(4) The sanction imposed as meant in paragraph (2) letter c shall be carried out by the Government or local government at the request of BPJS.

(5) The stipulation on procedures for imposing administrative sanctions shall be further regulated by Governmental Regulation.

Article 18

(1) Government shall register the Contribution Aid recipients and their family members as Participants with the BPJS.

- (2) The Contribution Aid recipients shall provide complete and accurate data of themselves and their family members to the Government to be forwarded to BPJS.

Part Two

Contribution Payment

Article 19

- (1) Employers shall collect contributions from his/her employees and pay them to BPJS.
- (2) Employers shall pay their compulsory Contributions to BPJS.
- (3) Participants who are not Employees and Contribution Aid recipients shall pay their compulsory Contribution to BPJS.
- (4) The Government shall pay Contribution for Contribution Aid recipients to BPJS.
- (5) Further stipulation on:
 - a. The amount and the procedure of Contribution payment for the health

program shall be regulated by Presidential Decree; and

- b. The amount and procedure of Contribution payment for other programs shall be regulated by Governmental Regulation.

CHAPTER VI

BPJS ORGANIZATIONAL STRUCTURE

Part One Structure

Article 20

BPJS organizational structure shall consist of Board of Supervisors and Board of Directors.

Part Two Board of Supervisors

Article 21

(1) The Board of Supervisors shall have 7 (seven) professionals.

(2) The Board of Supervisors as meant in paragraph (1) shall consist of 2 (two) representatives from the Government, 2 (two) representatives from the

Employees, and 2 (two) representatives from the Employers, and 1 (one) public figure.

(3) Members of the Board of Supervisors as meant in paragraph (1) shall be appointed and dismissed by the President.

(4) One of the members of the Board of Supervisors as meant in paragraph (1) shall be designated as a Head of the Board of Supervisors by the President.

(5) Members of the Board of Supervisors as meant in paragraph (1) shall be appointed for a period of 5 (five) years and may be proposed to be reappointed for one additional term.

Article 22

(1) The Board of Supervisors shall supervise the implementation of BPJS duties.

(2) In carrying out its functions as meant in paragraph (1), the Board of Supervisors duties are to:

- a. Supervise the BPJS management policies and the performance of Board of Directors;
- b. Supervise the administration and investment of the Social Security Funds by the Board of Directors;
- c. Provide advice, counsel, and recommendation to the Board of Directors on policies and administration of BPJS; and
- d. Submit monitoring reports on the administration of Social Security program as part of BPJS reports to the President with a copy to DJSN.

(3) In carrying out its duties in paragraph (2), the Board of Supervisors shall be authorized to:

- a. Set the annual budget working plan of BPJS;
- b. Obtain and/or request reports from the Board of Directors;

- c. Access data and information regarding the administration of the BPJS;
 - d. Conduct review of the data and information on the administration of BPJS; and
 - e. Provide advice and recommendation to the President on the performance of the Board of Directors.
- (4) The stipulation on the procedures for implementing the functions, duties, and authorities of the Board Supervisors as meant in paragraph (1), paragraph (2) and paragraph (3) shall be regulated by the regulation of the Board of Supervisors.

Part Three
Board of Directors

Article 23

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

(2) Members of the Board of Directors in paragraph (1) shall be appointed and dismissed by the President.

(3) The President shall determined one of members of the Board of Directors in paragraph (1) as the president director.

(4) Members of the Board of Directors shall be appointed for a period of 5 (five) years and may be proposed to be reappointed for one additional term.

Article 24

(1) Board of Directors shall be responsible to administer and carry out operational activities of BPJS and ensure Participants to get their benefits in accordance with their rights.

(2) In performing functions as meant in paragraph (1), the Board of Directors shall be responsible to:

a. Manage BPJS including planning, implementation, monitoring, and evaluation;

- b. Represent BPJS inside and outside the court; and
- c. Ensure the availability of facilities and access for the Board of Supervisors to perform its functions.

(3) In performing duties as meant in paragraph (2), the Board of Directors shall be authorized to:

- a. Exercise BPJS authorities;
- b. Establish organizational structure including its main tasks, functions, organizational work, and staffing system;
- c. Carry out staffing management of BPJS including hiring, relocating, and terminating BPJS employees and determining the salary of BPJS employees;
- d. Propose to the President of the salary for the Board of Supervisors and the Board of Directors;

- e. Specify the provisions and procedures for the procurement of goods and service to support the administration of BPJS by considering the principles of transparency, accountability, efficiency, and effectiveness;
- f. Transfer the fixed assets of BPJS at a maximum of Rp 100,000,000,000.00 (one hundred billion Rupiahs) with the approval of the Board of Supervisors;
- g. Transfer the fixed assets of BPJS more than Rp 100,000,000,000.00 (one hundred billion Rupiahs) to Rp 500,000,000,000.00 (five hundred billion Rupiahs) with the approval of the President; and
- h. Transfer the fixed assets of BPJS more than Rp 500,000,000,000.00 (five hundred billion Rupiahs) with the approval of the House of Representative of the Republic of Indonesia.

(4) The stipulation on the procedures for implementing the functions, duties, and authorities of the Board of Directors as meant in paragraph (1), paragraph (2), and paragraph (3) shall be regulated by the regulations of the Board of Directors.

CHAPTER VII

REQUIREMENTS, SELECTION PROCESS AND APPOINTMENT, AND DISMISSAL OF THE MEMBERS OF THE BOARD OF SUPERVISORS AND THE BOARD OF DIRECTORS

Part One

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

Section 1

General Requirements

Article 25

- (1) To be appointed as a member of the Board of Commissioners or the Board of Directors, the candidate shall meet the following requirements:
- a. Indonesian citizen;

- b. Believe in God Almighty;
- c. Physically and mentally healthy;
- d. Have integrity and personality that is not dishonorable;
- e. Have qualifications and competence for the management of the Social Security program;
- f. At least 40 (forty) years old and not more than 60 (sixty) years old at the time nominated as a member;
- g. Not served as a board member or a political party;
- h. Not being a suspect or defendant in the judicial process;
- i. Never been imprisoned based on court decision with final and binding effect for a criminal act with imprisonment of 5 (five) years or more; and/or
- j. Never been a member of the board of directors, commissioners, or board

of supervisors at a legal entity declared insolvent due to errors in question.

(2) During his/her time, members of the Board of Supervisors and Board of Directors shall not hold concurrent positions in the government offices or other legal entities.

Section Two
Special Requirements

Article 26

In addition to the requirements as meant in Article 25, a candidate for the Board of Supervisors shall meet specific requirements such as having expertise and experience in management, particularly in field of supervision for at least 5 (five) years.

Article 27

In addition to the requirements as meant in Article 25, a candidate for the Board of Directors shall meet specific requirements such as having relevant expertise with the

director position and having managerial experience for at least 5 (five) years.

Part Two

Selection Process and Appointment of Members of the Board of Commissioners and the Board of Directors

Article 28

- (1) To select and designate members of the Board of Supervisors and the Board of Directors, the President shall establish selection committee with duties to implement the provisions regulated herein.
- (2) The selection committee as meant in paragraph (1) shall consist of 2 (two) representatives from the Government and 5 (five) people from public.
- (3) Membership of the selection committee as meant in paragraph (2) shall be regulated by Presidential Decree.

Article 29

- (1) The selection committee as meant in Article 28 shall announce the opening registration of candidates for the

Board of Supervisors and the Board of Directors at the latest 5 (five) working days upon the appointment.

(2) Registration and selection of candidates for the members of the Board of Supervisor and the Board of Directors shall be held within 10 (ten) working days successively.

(3) The selection committee shall announce the name of the candidate members of the Board of Supervisors and the Board of Directors publicly to get response no later than 5 (five) working days upon the registration is closed.

(4) The response as meant in paragraph (3) shall be submitted to the selection committee no later than 15 (fifteen) working days from the announcement date.

(5) The selection committee shall determine and submit the names of candidates for the members of the Board of Supervisors and the Board of Directors to the

President of 2 (two) times the number of positions required no more than 10 (ten) working days after the closing date of response submission from the public.

Article 30

- (1) President shall elect and designate the members of the Board of Supervisors from the Government and members of the Board of Directors based on the recommendation from the selection committee.

- (2) President shall propose the candidate names, who are representatives from Employees, Employers, and public figure, for the Board of Supervisors to the House of Representatives of the Republic of Indonesia as many as 2 (two) times the number of positions required, no later than 10 (ten) working days commencing as of the date of received a list of candidate names from the selection committee.

(3) House of Representatives of the Republic of Indonesia shall choose the members of the Board of Supervisors from Employees, Employers, and public figure as meant in paragraph (2), no longer than 20 (twenty) working days commencing as of the date of received a proposal from the President.

(4) Chairman of the Board of Representatives of the Republic of Indonesia shall submit the names of selected candidates as meant in paragraph (3) to the President at the latest 5 (five) working days commencing as of the expiration date of the selection.

(5) The President shall determine the selected candidate as meant in paragraph (4) no later than 10 (ten) working days commencing as of the date of received a letter from the chairman of the House of Representatives of the Republic of Indonesia.

(6) Appointment of the members of the Board of Supervisors from the government and members of the Board of Directors shall be performed simultaneously with the appointment of members of the Board of Supervisors as meant in paragraph (5).

Article 31

The stipulation on the procedures for selection process and the appointment of the Board of Supervisors and the Board of Directors as meant in Article 28, Article 29, and Article 30 shall be further regulated by Presidential Decree.

Part Three

Dismissal

Article 32

Members of the Board of Supervisors and the Board of Directors may resign because of:

- a. Death;
- b. Expiration of office term; or
- c. Termination.

Article 33

- (1) Members of the Board of Supervisors or the Board of Directors may be suspended due to:
 - a. Sickness for more than continuous 3 (three) months so they cannot carry out their duties;
 - b. Declared as suspect; or
 - c. Administrative sanction of suspension.

- (2) In the case of members of the Board of Supervisors and the Board of Directors are suspended as meant in paragraph (1), the President shall appoint temporary officials by considering recommendation from DJSN.

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

(4) The returning to position as meant in paragraph (3) shall not exceed 30 (thirty) days commencing as of the day the members declared fit, or their suspect status revoked or their temporary dismissal due to administrative sanctions revoked.

(5) Suspension of members of the Board of Supervisors or members of the Board of Directors as meant in paragraph (1) and returning to position as meant in paragraph (3) shall be performed by the President.

Article 34

Members of the Board of Supervisors or members of the Board of Directors may be dismissed from their office because of:

- a. Sickness for continuous 6 (six) months so they cannot carry out their duties;
- b. Not performing their duties as members of the Board of Supervisors or members of the Board of Directors continuously more than 3 (three) months for reasons other than those referred in letter a;

- c. Detrimental to the interests of BPJS and Social Security program's participants because of wrong policies taken.
- d. A defendant for committing a crime;
- e. Behaving abominably;
- f. No longer eligible as members of the Board of Supervisors or members of the Board of Directors; and/or
- g. Resigning in writing at their own request.

Article 35

In the case of members of the Board of Supervisors or members of the Board of Directors resign as meant in Article 32 letter a or terminated as meant in Article 34, the President shall appoint replacements for the members of the Board of Supervisors or members of the Board of Directors for the remaining office term.

Article 36

- (1) In the event of vacancy of members of the Board of Supervisors and/or members of the Board of Directors, the President shall form a selection committee to choose candidates for the interim replacement.
- (2) Selection process and the appointment of interim replacement candidates as meant in paragraph (1) shall be based on the provisions as meant in Article 28, Article 29, Article 30, and Article 31.
- (3) In the case of vacancy as meant in paragraph (1) is less than 18 (eighteen) months, the President shall determine an interim replacement member based on recommendation from DJSN.
- (4) DJSN shall propose candidates as meant in paragraph (3) based on the ranking of the selection results.
- (5) The stipulation on the procedures for the selection and appointment of candidates for the interim replacement

as meant in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be further regulated by Presidential Regulations.

CHAPTER VIII
ACCOUNTABILITY

Article 37

- (1) BPJS shall be obliged to submit accountability for the performance of its duties in the form of report on program management report and annual financial statement audited by public accountant to the President with a copy to DJSN no later than June 30 the following year.
- (2) The program reporting management report and annual financial statement period as meant in paragraph (1) shall be started from January 1 to December 31.
- (3) The form and content of program management report as meant in paragraph (1) shall be proposed by BPJS after consultation with DJSN.

- (4) BPJS financial statement as meant in paragraph (1) shall be prepared and presented in accordance with the applicable financial accounting standards.
- (5) Program management report and annual financial statement as meant in paragraph (1) shall be published in a form of executive summary through electronic mass media and through at least two (2) printed media circulated nationally, no later than July 31 the following year.
- (6) The form and content of the publication in paragraph (5) shall be determined by the Board of Directors upon the approval by the Board of Supervisors.
- (7) The stipulation on the form and content of program management report as meant in paragraph (3) shall be regulated by Presidential Regulations.

Article 38

(1) The Board of Directors shall be responsible for all financial loss due to mismanagement of the Social Security Funds.

(2) At the expiration of office term, the Board of Supervisors and the Board of Directors shall submit accountability for the performance of its duties to the President with copies to DJSN.

CHAPTER IX
SUPERVISION

Article 39

(1) Supervision of BPJS shall be carried out externally and internally.

(2) Internal supervision of BPJS shall be carried out by the following BPJS internal controls consisting of:

- a. The Board of Supervisors; and
- b. Internal control unit.

(3) External supervision of BPJS shall be carried out by:

- a. DJSN; and
- b. Independent supervisory agency.

CHAPTER X
ASSETS

Part One
Separation of Assets

Article 40

- (1) BPJS shall manage:
 - a. BPJS assets; and
 - b. Social Security Funds assets.
- (2) BPJS shall separate BPJS assets and Social Security Funds assets.
- (3) Social Security Funds assets are not BPJS assets.
- (4) BPJS shall be obliged to store and administer Social Security Funds at the state owned enterprise custodian bank.

Part Two
BPJS Assets

Article 41

- (1) The sources of BPJS assets are:
 - a. Initial capital from the Government, which is a state money

separated and not divided into shares;

- b. Assets transferred from state owned enterprises which administer social security program;
- c. Investment yield of BPJS assets;
- d. Operational funds taken from the Social Security Funds; and/or
- e. Other legitimate sources in accordance with statutory laws/regulation.

(2) BPJS assets may be utilized for:

- a. Operational costs of administering Social Security program;
- b. Cost of procurement of goods and services to support the operational of Social Security program;
- c. Cost to increase service capacity; and
- d. Investment in the investment instruments in accordance with the regulations of law.

(3) The provision on the sources and utilization of BPJS assets as meant in paragraph (1) and paragraph (2) shall be further regulated by Governmental Regulations.

Article 42

The initial capital as meant in Article 41 paragraph (1) letter a for BPJS Health and BPJS Employment shall be set at a minimum of Rp 2,000,000,000,000.00 (two trillion Rupiahs) originated from the State Budget.

Part Three

Social Security Funds Assets

Article 43

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

- a. Social Security Contribution including Contribution Aid;
- b. Investment yield of the Social Security Funds;
- c. Participants' assets transferred from the State Owned Enterprise

administering social security program;
and

d. Other legitimate sources in
accordance with regulations of law.

(2) Social Security Funds assets may be
utilized for:

a. Payment of benefits or Social
Security services;

b. Operational cost for administering
Social Security program; and

c. Investment in investment
instruments in accordance with laws
and regulations.

(3) The provision on the sources and
utilization of Social Security Funds
assets as meant in paragraph (1) and
paragraph (2) shall be further
regulated by Governmental Regulations.

Part Four
Operating Cost

Article 44

- (1) BPJS operational cost shall consist of personnel cost and non-personnel cost.
- (2) Personnel as meant in paragraph (1) shall consist of Board of Supervisors, Board of Directors, and employees.
- (3) Personnel cost shall include Salary or Wage and other additional benefits.
- (4) Board of Supervisors, Board of Directors, and employees shall earn Salary or Wage and other additional benefits in accordance with the authority and/or responsibility in performing their duties within BPJS.
- (5) Salary or Wage and other additional benefits as meant in paragraph (4) shall consider the accepted level commonly applied.
- (6) Board of Supervisors, Board of Directors, and employees may earn incentives according to the BPJS performance, paid out from the investment yield.

(7) Provisions on Salary or Wage and other additional benefits and incentives for employees shall be determined by the Directorial regulations.

(8) Provisions on Salary or Wage and other additional benefits and incentives for members of the Board of Supervisors and members of Board of Directors shall be regulated by Presidential Regulations.

Article 45

(1) Operational funds as meant in Article 41 paragraph (1) letter d shall be determined based on percentage of Contributions received and/or from investment yields.

(2) The provisions on the percentage of operational funds as meant in paragraph 91) shall be further regulated by Governmental Regulations.

CHAPTER XI DISSOLUTION OF BPJS

Article 46

BPJS shall only be dissolved by the Law.

Article 47

BPJS shall not be declared insolvent by the laws and regulations on insolvency.

CHAPTER XII

DISPUTE SETTLEMENT

Part One

Complaint Settlement

Article 48

- (1) BPJS shall be obliged to establish a quality control unit of service and handle complaints from Participants.
- (2) BPJS shall be obliged to response the complaints no later than 5 (five) working days from the date of receiving complaints.
- (3) The provisions on quality control unit and handling Participants complaints as meant in paragraph (1) shall be further regulated by BPJS Regulations.

Part Two

Dispute Resolution through Mediation

Article 49

- (1) Any party who feel aggrieved that his complaints cannot be resolved by the unit as stated in Article 48 paragraph (1) may settle his/her dispute through mediation mechanism.
- (2) Mediation mechanism as meant in paragraph (1) shall involve a mediator agreed upon by both parties in writing.
- (3) Settlement of disputes through mediation shall not exceed 30 (thirty) working days after both parties signing the agreement as meant in paragraph (2).
- (4) Settlement of disputes through mediation mechanism, following agreement of both parties in writing, shall be final and binding.
- (5) The provisions on procedures for dispute settlement through mediation shall be conducted in accordance with regulations of law.

Part Three
Dispute Settlement through Court

Article 50

In the event that the complaints cannot be resolved by quality control unit of service and Participants' complaints cannot be solved through mediation mechanism, the dispute settlement shall be submitted to the district court where the applicant resides.

CHAPTER XIII

RELATIONS WITH OTHER INSTITUTIONS

Article 51

- (1) In order to improve the quality of Social Security program, BPJS shall cooperate with Government agencies.
- (2) In performing its duties, BPJS shall cooperate with other organizations or institutions inside or outside the country.
- (3) BPJS may act on behalf of the Republic of Indonesia as a member of the organization or international institutions if there is a provision that requires members of organizations

or international institutions to act on behalf of the state.

- (4) The provisions on procedures for inter-institutional relations shall be further regulated by Governmental Regulations.

CHAPTER XIV
RESTRICTION

Article 52

Members of the Board of Supervisors and members of the Board of Directors shall be restricted to:

- a. Have family ties to the third degree amongst members of the Board of Supervisors, amongst members of the Board of Directors, and between members of the Board of Supervisors and members of the Board of Directors;
- b. Have a business that has a connection with the administration of Social Security program;
- c. Commit disgraceful acts;

- d. Have concurrent positions as members of political parties, officials of public organization or social organization or non-governmental organization related to Social Security program, structural and functional officers in the government agencies, officials in the business entities or other legal entities;
- e. Make or take decisions which contain elements of conflict of interest;
- f. Establish or have all or part of a business entity associated with Social Security program;
- g. Remove or exclude or eliminate a report in registers, documents, or business operating reports, or transactional reports of BPJS and/or Social Security Funds;
- h. Abuse and/or embezzle assets of BPJS and/or Social Security Funds;
- i. Cross-subsidize between programs;

- j. Invest BPJS assets and/or Social Security Funds on the investment instruments not listed on Governmental Regulations;
- k. Invest except in certain securities and/or investments to improve the quality of human resources and social welfare;
- l. Make or cause a false report in registers or in reports, or in documents or reports on business activities, or transactional reports of BPJS and/or Social Security Funds, and/or
- m. Change, obscure, conceal, remove, or eliminate the existence of a record in books, or in the reports or in documents or business activity reports or damage BPJS accounting records and/or the Social Security Funds.

Article 53

- (1) Members of the Board of Supervisors or members of the Board of Directors

violating the provisions of restrictions as meant in Article 52 letter a, letter b, letter c, letter d, letter e, or letter f shall be given administrative sanctions.

(2) The imposition of administrative sanctions as stated in paragraph (1) shall be conducted by the President or designated official.

(3) Administrative sanction as meant in paragraph (1) shall be in form of:

- a. Written warning;
- b. Suspension; and/or
- c. Termination.

(4) The provision on procedures for imposing administrative sanctions shall be regulated further by Governmental Regulations.

CHAPTER XV

PENALTY PROVISIONS

Article 54

Members of the Board of Supervisors or members of the Board of Directors violating

the restriction provision as meant in Article 52 letter g, letter h, letter I, letter j, letter k, letter l, or letter m shall be punished with imprisonment not more than 8 (eight) years and a fine of not more than Rp 1,000,000,000.00 (one billion Rupiahs).

Article 55

Employers violating provision in Article 19 paragraph (1) or paragraph (2) shall be punished with imprisonment not more than 8 (eight) years, or a maximum fine of Rp 1,000,000,000.00 (one billion Rupiahs).

CHAPTER XVI OTHER PROVISIONS

Article 56

- (1) The President at any time may request financial statements and performance reports of BPJS as material consideration in making government policy relating to the implementation of the National Social Security System.
- (2) In the event of fiscal and monetary policies affecting the level of

solvency of BPJS, government may make special policies to ensure the sustainability of the Social Security program.

- (3) In the event of financial crisis and aggravating circumstances to the economy, the Government may perform special actions to maintain financial health and sustainability of the implementation of Social Security program.

CHAPTER XVII

TRANSITIONAL PROVISIONS

Article 57

At the time this Law comes into effect:

- a. State Share Company (Persero) PT Asuransi Kesehatan Indonesia, abbreviated as PT Askes (Persero) established by Governmental Regulation No. 6 of 1992 on the Structure Change of Husada Bhakti Public Company (Perum) to Limited Liability Company (Persero) (State Gazette of the Republic of Indonesia of 1992 Number 16) shall

remain exist and continue to administer health program, including accepting new participants, until the date of BPJS Health begins its operation;

b. Ministry of Health shall continue to manage the operational activities of public health program, including accepting new participants, until the date of BPJS Health begins its operation;

c. Ministry of Defense, Armed Forces of Indonesia, and Police Department of the Republic of Indonesia shall continue to manage the operational activities of its health program for its participants, including accepting new participants, until the date of BPJS Health begins its operation, except for certain health services related to its operations, which is regulated by Presidential Decree;

d. State Share Company (Persero) PT Jaminan Sosial Tenaga Kerja, abbreviated as PT Jamsostek (Persero),

established by the Governmental Regulation Number 36 of 1995 on the Establishment of the Administrative Body of the Employee Social Security Program (State Gazette of the Republic of Indonesia of 1995 Number 59), under the Law Number 3 of 1992 on Employee Social Security (State Gazette of the Republic of Indonesia of 1992 Number 14, Supplement to the State gazette of the Republic of Indonesia Number 3468) shall continue to perform the operational activities of the organization for:

1. Health program, including accepting new participants until the BPJS Health begins its operation; and
 2. Work accident, death, and old-age programs for its participants, including accepting new participants until it is transformed into BPJS Employment.
- e. State Share Company (Persero) PT ASABRI or abbreviated as PT ASABRI (Persero)

established by Governmental Regulation No. 68 of 1991 on Change in the Form of Administrative Body Administering the Armed Forces Social Security from a Public Company to State Share Company (Persero) (State Gazette of the Republic of Indonesia of 1991 Number 88), based on Law Number 6 of 1966 on the Granting of Pensions, Retirement Allowance, and Benefits to Volunteer Military (State Gazette of the Republic of Indonesia of 1966 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 2812), Law Number 11 of 1969 on the Employee Retirement and Pension Widow/Widower Employees (State Gazette of the Republic of Indonesia of 1969 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 2906), Law Number 8 of 1974 on the Principles of Human Resources (State Gazette of the Republic of Indonesia of 1974 Number 55, Supplement to the State Gazette of the Republic of Indonesia

Number 3041) as amended by Law Number 43 of 1999 (State Gazette of the Republic of Indonesia of 1999 Number 169, Supplement to the State Gazette of the Republic of Indonesia Number 3890), Law Number 2 of 1988 on Armed Forces Soldiers of the Republic of Indonesia (State Gazette of the Republic of Indonesia of 1988 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 3369), Governmental Regulation Number 36 of 1968 on the Granting of Retirement to Warakawuri, Benefits for the Orphan and Orphaned Children of Volunteer Military (State Gazette of the Republic of Indonesia of 1968 Number 61, Supplement to the State Gazette of the Republic of Indonesia Number 2863), and Governmental Regulation Number 67 of 1991 on Social Insurance of the Armed Forces of the Republic of Indonesia (State Gazette of the Republic of Indonesia of 1991 Number 87, Supplement to the State Gazette of the Republic of Indonesia

Number 3455) shall continue to perform the operational activities of the social insurance program of the Armed Forces of the Republic of Indonesia and retirement payment program for its participants, until it is transferred to BPJS Employment.

- f. State Share Company (Persero) PT DANA TABUNGAN DAN ASURANSI PEGAWAI NEGERI or abbreviated as PT TASPEN (Persero) established by Governmental Regulation Number 26 of 1981 on Change in the Form of the Body Administering Civil Servants Savings and Insurance Scheme from a Public Company to a State Share Company (Persero) (State Gazette of the Republic of Indonesia of 1981 Number 38), based on Law Number 11 of 1969 on Civil Retirement Pensions and Widow/Widower Employees (State Gazette of the Republic of Indonesia of 1969 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 2906), Law Number 8 of 1974 on Principles of Human Resources (State

Gazette of the Republic of Indonesia of 1974 Number 55, Supplement to the State Gazette of the Republic of Indonesia Number 3041) as amended by Law Number 43 of 1999 (State Gazette of the Republic of Indonesia of 1999 Number 169, Supplement to the State Gazette of the Republic of Indonesia Number 3890), and Governmental Regulation Number 25 of 1981 on Civil Servants Social Insurance (State Gazette of the Republic of Indonesia of 1981 Number 37, Supplement to the State Gazette of the Republic of Indonesia Number 3200) shall continue to perform the operational activities of the administration of retirement savings and pension payment program for its participants, including accepting new participants until it is transferred to BPJS Employment.

CHAPTER XVIII

CLOSING PROVISIONS

Article 58

At the time of enactment of this Law until BPJS Health begins its operation, the Board of Supervisors and the Board of Directors of PT Askes (Persero) are assigned to:

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

Article 59

For the first time, the Board of Supervisors and the Board of Directors of PT Askes (Persero) shall be appointed as the Board of Supervisors and the Board of Directors of BPJS Health for a period of maximum 2 (two)

years since BPJS Health begins its operation.

Article 60

(1) BPJS Health shall begin its operation to administer health program on January 1, 2014.

(2) Since the operation of BPJS Health as meant in paragraph (1):

a. Ministry of Health shall no longer administer public health insurance program;

b. Ministry of Defense, Armed Forces of Indonesia, and the Police Department of the Republic of Indonesia shall no longer administer health care program for its participants, except for certain health services related to its operations as determined by Presidential Decree; and

c. PT Jamsostek (Persero) shall no longer administer health care program.

(3) At the time BPJS Health begins its operation as meant in paragraph (1):

a. PT Askes (Persero) shall be declared dissolved without liquidation and all assets and liabilities as well as rights and legal obligations of PT Askes (Persero) shall become the assets and liabilities as well as rights and legal obligations of BPJS Health;

b. All employees of PT Askes (Persero) shall become employees of BPJS Health; and

c. Minister of State Owned Enterprises as the General Meeting of Shareholders shall approve the closing statement of financial position of PT Askes (Persero) as audited by public accounting firm and the Minister of Finance shall approve the opening statement of financial position of BPJS Health

and opening statement of financial position of health insurance fund.

Article 61

At the time of enactment of this Law until the transformation of PT Jamsostek (Persero) into BPJS Employment, the Board of Supervisors and Board of Directors of PT Jamsostek (Persero) shall be assigned to:

- a. Prepare the transfer of healthcare program to BPJS Health;
- b. Prepare operational of BPJS Employment for work accident, pension, old-age, and death programs;
- c. Prepare the transfer of assets and liabilities as well as rights and obligations of healthcare program of PT Jamsostek (Persero) related to the transfer of healthcare benefits to BPJS Health; and
- d. Prepare the transfer of assets and liabilities, employees, as well as rights and obligations of PT Jamsostek (Persero) to BPJS Employment.

Article 62

(1) PT Jamsostek (Persero) shall be transformed into BPJS Employment on January 1, 2014.

(2) At the time PT Jamsostek (Persero) transformed into BPJS Employment as meant in paragraph (1):

a. PT Jamsostek (Persero) shall be declared dissolved without liquidation and all assets and liabilities as well as rights and legal obligations of PT Jamsostek (Persero) shall become the assets and liabilities as well as rights and legal obligations of BPJS Health;

b. All employees of PT Jamsostek (Persero) shall become employees of BPJS Health;

c. Minister of State Owned Enterprises as the General Meeting of Shareholders shall approve the closing statement of financial

position of PT Jamsostek (Persero) as audited by public accounting firm and the Minister of Finance shall approve the opening statement of financial position of BPJS Health and opening statement of financial position of health insurance fund; and

- d. BPJS Employment shall administer work accident, old-age, and death programs previously administered by PT Jamsostek (Persero), including accepting new participants, until BPJS Employment begins its operation in accordance with provisions of Article 29 through Article 38 and Article 43 through Article 46 of Law Number 40 of 2004 on National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4456), no later than July 1, 2015.

Article 63

For the first time, the Board of Supervisors and the Board of Directors of PT Jamsostek (Persero) shall be appointed as members of the Board of Supervisors and members of the Board of Directors of BPJS Employment for a maximum period of 2 (two) years since BPJS Employment begins its operation.

Article 64

BPJS Employment shall begin its operation to administer work accident, old-age, pension, and death programs for the Participants, except for the participants of PT TASPEN (Persero) and PT ASABRI (Persero), in accordance with Article 29 through Article 46 of Law Number 40 of 2004 on National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4456), no later than July 1, 2015.

Article 65

(1) PT ASABRI (Persero) shall transfer its social insurance program for the Armed Forces of the Republic of Indonesia and pension program to BPJS Employment at the latest by 2029.

(2) PT TASPEN (Persero) shall transfer its old-age and pension programs to BPJS Employment at the latest by 2029.

Article 66

The stipulations on the procedures for the transfer of social insurance program for the Armed Forces of the Republic of Indonesia and pension program of PT ASABRI (Persero) and the transfer of old-age and pension programs of PT TASPEN (Persero) to BPJS Employment shall be regulated further by Governmental Regulations.

Article 67

The stipulation of Article 142 paragraph (2) letter a of Law Number 40 of 2007 on Limited Liability Company (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756) and

Article 64 paragraph (1) of Law Number 19 of 2003 on State Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297) shall not be applicable for liquidation of PT Askes (Persero) and PT Jamsostek (Persero) as meant in Article 60 paragraph (3) letter a and Article 62 paragraph (2) letter a.

Article 68

During the transformation of PT Jamsostek (Persero) to BPJS Employment as meant in Article 62 paragraph (1), under this Law:

- a. Governmental Regulation Number 36 of 1995 on the Determination of Employment Social Security Program Administrative Body (State Gazette of the Republic of Indonesia of 1995 Number 59) shall be revoked and declared inapplicable; and
- b. The provisions of Article 8 through Article 15 of Law Number 3 of 1992 on Employment Social Security (State Gazette of the Republic of Indonesia of

1992 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 3468) shall remain in force until the operation of BPJS Employment as meant in Article 64.

Article 69

At the time of BPJS Employment begins its operation as meant in Article 64 Law Number 3 of 1992 on Employment Social Security (State Gazette of the Republic of Indonesia of 1992 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 3468) shall be revoked and declared inapplicable.

Article 70

Implementing regulations of this Law shall be determined no later than:

- a. 1 (one) year for regulations supporting the operation of BPJS Health; and
- b. 2 (two) years for regulations supporting the operation of BPJS Employment

Commencing from the promulgation of this Law.

Article 71

This Law shall come into effect on enactment date.

For everyone to see, it is ordered that this Law to be promulgated in the State Gazette of the Republic of Indonesia.

Ratified in Jakarta

On November 25, 2011

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

DR. H. SUSILO BAMBANG YUDHOYONO

Enacted in Jakarta

On November 25, 2011

MINISTER OF JUSTICE AND HUMAN RIGHTS

THE REPUBLIC OF INDONESIA,

Signed

AMIR SYAMSUDDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2011 NUMBER

116

Copy conformed to the original

MINISTRY OF STATE SECRETARY OF THE REPUBLIC OF INDONESIA

Assistant Deputy for Legislation

Affairs of Politics and People's Welfare,

Wisnu Setiawan

This document is translated from Indonesian into English by **Renati Adriani**

(Authorized/Sworn Translator by the Greater Jakarta Governor's Certificate of Appointment #SK.GUB.KDKI.No. 1820/1999)



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

I. GENERAL

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

National social security system is a state program with aim to ensure the protection and social welfare for all people as mandated in Article 28H paragraph (1), paragraph (2) and paragraph (3) and Article 34 paragraph (1) and paragraph (2) of the 1945 Constitution of the Republic of Indonesia. In addition, in the People's Consultative Assembly Decree Number X/MPR/2001, the President is tasked to establish a national social security system in order

to provide a more comprehensive and integrated social protection for the people.

With the enactment of Law Number 40 of 2004 on National Social Security System, Indonesia as a nation has had the Social Security system for all Indonesian people. To realize the goal of the national social security system it is necessary to form administrative body which is a legal entity based on the principles of mutual assistance, non-profit, transparency, prudence, accountability, portability, compulsory participation, trust fund, and the investment yields of the Social Security Funds is used entirely for program benefits and in the best interest of Participants.

Establishment of the Law on Social Security Administrative Body is an implementation of Law Number 40 of 2004 on National Social Security System after the Constitutional Court Decision on case Number 007/PUU-III/2005, in order to provide legal certainty for the establishment of BPJS to administer the Social Security program throughout Indonesia. The Law is the implementation of Article 5 paragraph (1) and Article 52 of Law Number 40 of 2004 on National Social Security System which mandates the

establishment of Social Security Administrative Body and institutional transformation of PT Askes (Persero), PT Jamsostek (Persero), PT TASPEN (Persero), and PT ASABRI (Persero) into Social Security Administrative Body. The transformation shall be followed by the transfer of participants, programs, assets and liabilities, employees, as well as rights and obligations.

With this Law 2 (two) BPJS are established, namely BPJS Health and BPJS Employment. BPJS Health shall administer a health program and BPJS Employment shall administer a work accident, old-age, pension and death programs. With the formation of those two BPJS, the membership of social security program will be expanded gradually.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Letter a

The meaning of "principle of humanity" is a principle related to respect for human dignity.

Letter b

The meaning of "principle of benefits" is an operational principle related to efficient and effective management.

Letter c

The meaning of "principle of social justice for all Indonesian people" is an ideal principle.

Article 3

The meaning of "basic life needs" is a person's essential needs to achieve an adequate standard of living, for the creation of social welfare for all Indonesian people.

Article 4

Letter a

The meaning of "principle of mutual assistance" is the principle of solidarity among Participants in bearing the cost of Social Security, realized in the obligations of every Participants to pay Contribution pursuant to his/her Salary, Wage, or income level.

Letter b

The meaning of "principle of non-profit" is a principle of business management that emphasizes the use of investment yields for the maximum benefit of all Participants.

Letter c

The meaning of "principle of transparency" is the principle of facilitating access to complete, accurate, and clear information to every Participant.

Letter d

The meaning of "principle of prudence" is the principle of accurate, neat, secure, and orderly financial management of the funds.

Letter e

The meaning of "principle of accountability" is the principle of accurate and accountable program administration and financial management.

Letter f

The meaning of "principle of portability" is the principle which

provides continuous security despite changes in Participant's job or residence within the boundary of the Unified States of the Republic of Indonesia.

Letter g

The meaning of "principle of compulsory participation" is the principle of the compulsory participation in Social Security for all residents to be administered in stages.

Letter h

The meaning of "principle of trust fund" is the principle in which Contributions and its investment yields are to constitute a deposited fund from Participants to be used in the best interest of the Social Security Participants.

Letter i

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Letter a

The meaning of "collect" is to ask for payment in the event of arrears, unpaid, or shortfall of Contribution payment.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Letter d

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

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

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

The meaning of "other obligations" includes the obligation to register themselves and their Employees as Participants, report participation data including changes in Salary or Wage, the number of Employees and their family members, the Employees' addresses, and the status of Employees.

The meaning of "regulations of law" is the Law on national Social Security System and its implementing regulations.

Letter h

Cooperation with other parties related to the Contribution collection from Participants and Employers and Contribution recipients conducted with government agencies and local governments, state-owned enterprises, and local state-owned enterprises.

Article 12

Letter a

The meaning of "operational fund" is part of accumulation of Social Security Contributions and investment yields that can be used by BPJS for their operational activities administering the Social Security program.

Letter b

Sufficiently clear.

Article 13

Letter a

The meaning of "single identity number" is the specific number given by BPJS to every Participants to ensure the orderly administration of the rights and obligations of every

Participant. Single identity number applies to all Social Security programs.

Letter b

Sufficiently clear.

Letter c

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

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

Sufficiently clear.

Letter i

Sufficiently clear.

Letter j

Sufficiently clear.

Letter k

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Paragraph (1)

The meaning of "Social Security program in which they participate" refers to 5 (five) Social Security programs as in Law Number 40 of 2004 on National Social Security System.

Paragraph (2)

The meaning of "data" is personal data of Employers and their Employees with their family members, including data changes.

Paragraph (3)

The gradual stages stipulated in Presidential Regulation is based

on, among others, the number of Employees, type of business, and/or business scale.

Those gradual stages shall not reduce benefits due to Participants and Employer's obligations to follow Social Security program.

Article 16

Sufficiently clear.

Article 17

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

The meaning of "certain public services" includes. Among others, processing applications for business licenses, building permits,

proof of ownership of land
and buildings.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

The meaning of "Government or
local government" is public
service unit undertaken by
Government or local government.

Paragraph (5)

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Candidates for members of the
Board of Supervisors from element
of Employees shall be proposed by
labor union at national level.

Candidates for members of the Board of Supervisors from element of Employers shall be proposed by Employers' association at national level.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

The meaning of "proposed to be reappointed" is to be nominated again through selection process.

Article 22

Sufficiently clear.

Article 23

Paragraph (1)

Members from professional elements are people who have expertise and/or special knowledge on Social Security.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

The meaning of "proposed to be reappointed" is to be nominated again through selection process.

Article 24

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Letter a

The meaning of "planning" includes the preparation of Annual Budget Working Plan of BPJS.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Paragraph (3)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

The meaning of "income" is salary or wage and other additional benefits.

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 25

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Letter d

Sufficiently clear.

Letter e

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

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

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

Sufficiently clear.

Letter i

Sufficiently clear.

Letter j

Sufficiently clear.

Paragraph (2)

The meaning of "shall not hold concurrent positions" is that after being appointed to the Board of Supervisors or the Board of Directors, the selected candidates shall release their positions in government office, including state institutions or other legal entities.

Article 26

Sufficiently clear.

Article 27

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

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Paragraph (1)

Sufficiently clear.

Paragraph (2)

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

To perform duties of members of the Board of Directors who are suspended, the interim officials proposed by DJSN shall be selected

from among other members of other Board of Directors.

Paragraph (3)

The meaning of "declared healthy" refers to a case when declared healthy by a doctor who worked at government hospital.

The meaning of "their status as suspects revoked" refers to a case when the investigation was stopped by the investigator.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Letter a

DJSN shall monitor and evaluate the administration of Social Security program

Letter b

The meaning of "independent supervisory agency" is the Financial Services Authority. The State Financial Audit Board may conduct examination in certain aspects pursuant to their authority.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

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

Letter d

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

The meaning of "regulations of law" is the Law on Arbitration and Alternative Dispute Resolution.

Article 50

Sufficiently clear.

Article 51

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Cooperation with other organizations or institutions inside or outside the country shall be carried out to improve

the quality of BPJS or the quality of services to Participants.

Paragraph (3)

BPJS membership in international organizations or institutions shall follow the laws and regulations in Indonesia.

Paragraph (4)

Sufficiently clear.

Article 52

Letter a

The meaning of "family ties" is family ties due to consanguinity or marriage.

Letter b

Sufficiently clear.

Letter c

The meaning of "commit disgraceful acts" refers to conduct acts which disgrace the Board of Supervisors and the Board of Directors.

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

Sufficiently clear.

Letter i

Sufficiently clear.

Letter j

Sufficiently clear.

Letter k

Sufficiently clear.

Letter l

Sufficiently clear.

Letter m

Sufficiently clear.

Article 53

Sufficiently clear.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Certain conditions that burden the economy may be either high inflation rate, a state of disaster resulted in the use of most of the country's economic resources, and so forth.

Special measures to maintain financial health and sustainability of the Social Security program operations including, but not limited to, adjustment in Benefits, Contributions, and/or retirement age, as a last resort.

Article 57

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Letter d

Sufficiently clear.

Letter e

Social Insurance program of the Armed Forces of the Republic of Indonesia shall consist of insurance compensation, lump sum insurance compensation, death benefit, compensation for funeral expenses, compensation for special risk of death, on-duty disability compensation, off-duty disability compensation, compensation for wife's/husband's funeral expenses, and compensation for child's funeral expenses.

Letter f

Retirement savings program shall consist of endowment insurance and life insurance.

Article 58

Letter a

Preparation for BPJS Health operation includes, among others:

- a. Develop systems and operational procedures required for the operation of BPJS Health;

- b. Outreach to all stakeholders of health program;
- c. Determine the health program pursuant to provisions of the Law on National Social Security System for members of PT Askes (Persero).
- d. Coordinate with the Ministry of Health for the transfer of the administration of public health program to BPJS Health.
- e. Coordinate with the Ministry of Defense, the Indonesian National Army for the transfer of the administration of health program for TNI/police officers and civil servants in the Ministry of Defense, the Indonesian National Army and Police Department of the Republic of Indonesia and their family members to BPJS Health; and
- f. Coordinate with PT Jamsostek (Persero) for the transfer of the administration of its health program to BPJS Health.

Letter b

Preparation activities for the transfer of assets and liabilities, employees, as well as rights and obligations of PT Askes (Persero) to BPJS Health includes, among others:

- a. Appoint a public accounting firm to conduct audit on the closing statement of financial position of PT Askes (Persero), the opening statement of financial position of BPJS Health, and the opening statement of financial position of the health fund; and
- b. Prepare the closing statement of financial position of PT Askes (Persero), the opening statement of financial position of BPJS Health, and the opening statement of financial position of the health fund.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Letter a

Sufficiently clear.

Letter b

Preparation for BPJS Employment operation for work accident, old-age, pension and death programs includes, among others:

- a. Develop systems and operational procedures required for the operation of BPJS Employment; and
- b. Outreach to all stakeholders of work accident, old-age, pension and life insurance program.

Letter c

Sufficiently clear.

Letter d

Preparation activities for the transfer of assets and liabilities, employees, as well as rights and obligations of PT Jamsostek (Persero) to BPJS Employment includes, among others:

- a. Appoint a public accounting firm to conduct audit on the closing

statement of financial position of PT Jamsostek (Persero), and the opening statement of financial position of BPJS Employment; and

- b. Prepare the closing statement of financial position of PT Jamsostek (Persero), and the opening statement of financial position of BPJS Employment.

Article 62

Sufficiently clear.

Article 63

Sufficiently clear.

Article 64

Sufficiently clear.

Article 65

Paragraph (1)

PT ASABRI (Persero) shall complete the transformation roadmap at the latest by 2014 which, among others, includes the transfer of social insurance program of the Armed Forces of the Republic of

Indonesia and pension program to
BPJS Employment.

Paragraph (2)

PT TASPEN (Persero) shall complete
the transformation roadmap at the
latest by 2014 which, among
others, includes the transfer of
old-age and pension programs to
BPJS Employment.

Article 66

Social Insurance Program for the Armed Forces
of the Republic of Indonesia and pension
program transferred from PT ASABRI (Persero)
and old-age and pension programs transferred
from PT TASPEN (Persero) are parts of the
programs pursuant to Law on National Social
Security System.

PT ASABRI (Persero) and PT TASPEN (Persero)
shall complete their transformation roadmap
at the latest by 2014, which among others,
includes the transfer of social insurance
program of the Armed Forces of the Republic
of Indonesia and pension program from PT
ASABRI (Persero) and the transfer of old-age
and pension programs to BPJS Employment.

Article 67

Sufficiently clear.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Sufficiently clear.

**SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF
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This document is translated from Indonesian into English by **Renati Adriani**
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