

LAW
NUMBER 13/2003
CONCERNING
MANPOWER

BY GRACE OF GOD THE ALMIGHTY
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

- Considering:
- a. That national development is executed in the framework of building Indonesian people totally and the Indonesian communities as whole to realize a prosperous, just, wealthy, even society materially and spiritually on the basis of the state ideology Pancasila and the Constitution of 1945;
 - b. That in the implementation of the national development, manpower play vital role and has crucial status as actor and objective of the development;
 - c. That in line with the role and status of the manpower, manpower development is needed for enhancing the quality of manpower and their participation in the development as well as improving the protection of manpower and their families in accordance with human status and dignity;
 - d. That manpower protection aims at guaranteeing the basic rights of workers/labor and equal opportunity as well as non-discriminatory treatment on whatever basis by observing the growth of business communities continuously;
 - e. That since several manpower laws are deemed no longer suitable to the need and demand of the manpower development, they need to be revoked and/or withdrawn again;
 - f. That based on the considerations as meant in letters a, b, c, d and e, it is necessary to enact a law on manpower affairs.

In view of: Article 5 paragraph (1), Article 20 paragraph (2), Article 28 and Article 31 paragraph (1) of the Constitution of 1945

**With the collective approval of
THE HOUSE OF REPRESENTATIVES OF
THE REPUBLIC OF INDONESIA
AND
THE PRESIDENT OF THE REPUBLIC OF INDONESIA**

D E C I D E S

To stipulate: THE LAW ON MANPOWER AFFAIRS

**CHAPTER I
GENERAL PROVISION**

Article 1

Referred to in this law as:

1. Manpower affairs shall be everything related to manpower before, during and after the working period.
2. Manpower shall be everyone capable of undertaking job to produce goods and/or services for fulfilling the need of either the relevant person or the society.
3. Worker/labor shall be everyone working by receiving a wage or compensation in other forms.
4. Employer shall be individual, entrepreneur, statutory body or other agencies employing manpower by paying a wage or compensation in other form.
5. Entrepreneur shall be:
 - a. Individual, partnership or statutory body undertaking a proprietary company.
 - b. Individual, partnership or statutory body undertaking a company belonging to the other;

- c. Individual, partnership or statutory body located in Indonesia to represent the company as meant in letters a and b, which is domiciled outside Indonesia.
- 6. The company shall be:
 - a. Every business having statutory body or not, belonging to individual, partnership or statutory body, owned by the private or the state, which employ workers/labor by paying a wage or compensation in other forms.
 - b. Social and other businesses having executives and employing other people by paying a wage or compensation in other forms.
- 7. Manpower planning shall be systematic formulation of manpower plan used as the basis and reference in formulating policies, strategies, and implementing sustainable manpower-development programs.
- 8. Manpower information shall be combination, series and analyses of data in the form of processed figures, texts and documents having certain meanings, values and nuances regarding manpower affairs.
- 9. Vocational training shall be all activities to provide, acquire, and enhance as well as to develop work competence, productivity, discipline, behavior and ethos at certain grade of skill and expertise in accordance with the level and qualification of position or occupation.
- 10. Work competence shall be work capability of every individual, covering aspects of knowledge, skill and work behavior in accordance with the stipulated standards.
- 11. Apprenticeship shall be part of the vocational training system organized integrated between training in training center and direct assignment under guidance and supervision of instructors or better experienced workers/labor in the production of goods and/or services in companies, in the framework of mastering certain skill or expertise.
- 12. Manpower placement service shall be an activity to unite manpower and employers so that the manpower can obtain occupation in accordance with their talent, interest and capability and the employer can obtain manpower in accordance with their need.
- 13. Expatriates shall be foreign citizens holding visa with the intention to work in the Indonesian territory.
- 14. Working agreement shall be an agreement between workers/labor and entrepreneurs or employers that contain working requirements, rights and obligations of parties.

15. Working relations shall be relations between entrepreneurs and workers/labor on the basis of a working agreement having elements of occupation, wage and order.
16. Industrial relations shall be a relations system established between actors in the production of goods and/or services, which consists of representatives of entrepreneurs, workers/labors, and the government on the basis of values of Pancasila and the Constitution of 1945.
17. Workers/labor union shall be an organization established from, by and for workers/labor both inside and outside company, which is independent, transparent, autonomous, democratic and responsible for struggling, defending as well as protecting rights and interests of workers/labor as well as enhancing welfare of workers/labor and their families.
18. Bipartite cooperation institute shall be a communications and consultation forum concerning matters related to industrial relations in a company, whose members consists of entrepreneurs and worker/labor union already registered at the institution responsible for manpower affairs or representatives of workers/labor.
19. Tripartite cooperation institute shall be a communications, consultation and deliberation forum regarding manpower affairs, whose members consist of representatives of entrepreneur organizations, worker/labor units and the government.
20. Corporate rule shall be a written regulation made by entrepreneur, which contains working requirements and corporate procedures.
21. Collective working agreement shall be an agreement resulting from negotiation between a worker/labor union or several worker/labor unions registered at the institution in charge of the manpower affairs and entrepreneurs or group of entrepreneurs, which contains working requirements, rights and obligations of parties.
22. Industrial relations dispute shall be a divergent view resulting in a conflict between entrepreneurs and worker/labor or worker/labor union because of a dispute over rights, interests, and labor dismissal as well as dispute between worker/labor unions only in a company.
23. Labor strike shall be an action of workers/labor planned and implemented collectively and/or by worker/labor union to discontinue or slow down a job.
24. Lock out shall be an action of entrepreneur to deny workers/ labor partly or wholly to execute a job.

25. Labor dismissal shall be termination of working relations because of a certain matter that discontinues rights and obligations between workers/labor and entrepreneur.
26. Child shall be everyone aging below 18 (eighteen) years.
27. Daytime shall be the period between 06.00 and 18.00
28. One day shall be a period of 24 (twenty four) days.
29. A week shall be a period of 7 (seven) days.
30. Wage shall be a right of workers/labor received and denominated in the form of money as a compensation from entrepreneur or employer to workers/labor, which is stipulated and paid in accordance with a working agreement, commitment or legislation, including allowance of workers/labor and their families for a job and/or service already or to be executed/rendered.
31. Worker/labor welfare shall be the fulfillment of material and spiritual need and/or necessity both inside and outside working relations, which directly and indirectly can enhance working productivity in a safe and healthy working environment.
32. Manpower supervision shall be an activity to supervise and enforce manpower legislation.
33. Minister shall be the minister in charge of manpower affairs.

CHAPTER II

BASIS, PRINCIPLE AND OBJECTIVE

Article 2

Manpower development shall be based on state ideology Pancasila and the Constitution of 1945.

Article 3

Manpower development shall be implemented on the basis of principle of integration through inter-sector functional coordination at the central and regional levels.

Article 4

Manpower development shall aims at:

- a. Empowering and enhancing the efficiency of manpower optimally and humanely;

- b. Realizing equal working opportunity and providing manpower in accordance with the need of the national and regional development;
- c. Providing protection for manpower in realizing welfare;
- d. Enhancing the welfare of manpower and their families.

CHAPTER III

EQUAL OPPORTUNITY AND TREATMENT

Article 5

Every manpower shall have equal opportunity to obtain a job without discrimination.

Article 6

Every worker/labor shall entitle to obtain equal treatment without discrimination from entrepreneur.

CHAPTER IV

MANPOWER PLANNING AND INFORMATION

Article 7

- (1) In the framework of manpower development, the government shall stipulate policies and formulate manpower planning.
- (2) Manpower planning shall include:
 - a. Macro manpower planning; and
 - b. Micro manpower planning
- (3) In formulating policies, strategies and implementing sustainable manpower development programs, the government shall refer to the manpower planning as meant in paragraph (1).

Article 8

- (1) The manpower planning shall be formulated on the basis of manpower information including:
 - a. Population and manpower;
 - b. Job opportunity;

- c. Vocational training, including work competence;
 - d. Manpower productivity;
 - e. Industrial relations;
 - f. Working environment condition
 - g. Wage system and welfare of manpower; and
 - h. Manpower social insurance
- (2) The manpower information as meant in paragraph (1) shall be collected from all parties, both government and private institutions.
- (3) Provisions on procedures for obtaining manpower information and formulation as well as implementation of the manpower planning as meant in paragraph (1) shall be regulated by a government regulation.

CHAPTER V

VOCATIONAL TRAINING

Article 9

Vocational training shall be organized and directed to provide, enhance and develop work competence for driving up capability, productivity and welfare.

Article 10

- (1) Vocational training shall be executed by observing the need of labor market and business communities both inside and outside working relations.
- (2) Vocational training shall be organized on the basis of training programs reference to work competence standards
- (3) Vocational training can be implemented in levels.
- (4) Provisions on procedures for stipulating the work competence standards as meant in paragraph (2) shall be stipulated by a decree of the Minister.

Article 11

Every manpower shall entitle to obtain and/or enhance and/or develop work competence in accordance with talent, interest, and capability through vocational training.

Article 12

- (1) Entrepreneurs shall be responsible for enhancing and/or developing competence of their workers through vocational training.
- (2) The enhancement and/or development of the competence as meant in paragraph (1) shall be compulsory for entrepreneurs fulfilling the requirements regulated by a decree of the Minister.
- (3) Every worker/labor shall have equal opportunity to participate in vocational training in accordance with their respective fields of tasks.

Article 13

- (1) Vocational training shall be organized by government and/or private owned vocational training institutions.
- (2) Vocational training can be organized in training place or workplace.
- (3) The government-owned vocational training institutions as meant in paragraph (1) can cooperate with private institutions in organizing vocational training.

Article 14

- (1) Private-owned vocational training institutions can be in the form of Indonesian statutory body or individual business.
- (2) The private vocational training institution as meant in Article (1) shall secure license from or register at the institution responsible for manpower affairs in regencies/cities.
- (3) Vocational training institutions organized by government institutions shall register their activities to the institution in charge of manpower affairs in regencies/cities.
- (4) Provisions on procedures for licensing and registering the vocational training institutions as meant in paragraphs (2) and (3) shall be regulated by a decree of the Minister.

Article 15

Organizers of vocational training shall fulfill the following requirements:

- a. The availability of trainers;
- b. The availability of curriculum in accordance with the training grades;
- c. The availability of vocational training facilities and infrastructure; and
- d. The availability of fund for ensuring the continuation of vocational training activities.

Article 16

- (1) Private-owned vocational training institutions already securing license and government-owned vocational training institutions already registered can earn accreditation from accreditation institution.
- (2) The accreditation institution as mean tin paragraph (1) shall be independent and consist of representatives of the society and government and be stipulated by a decree of the minister.
- (3) The organization and working arrangement of the accreditation institution as meant in paragraph (2) shall be regulated by a decree of the minister.

Article 17

- (1) The institution in charge of manpower affairs in regencies/cities can suspend vocational training if in the implementation, the training:
 - a. Is not in accordance with the direction of the vocation training as meant in Article 9; and/or
 - b. Fails to meet the requirements as meant in Article 15.
- (2) The provisional suspension of vocational training as meant in paragraph (1) shall be accompanied by reasons and corrective recommendations and apply for 6 (six) months at the maximum.
- (3) The provisional suspension of vocational training shall only be applied to training programs failing to meet the requirements as meant in Articles 9 and 15.
- (4) In the case of organizers of vocational training failing to fulfill and complete the corrective recommendations as meant in paragraph (2) in 6 (six) months, they shall be subjected to a sanction in the form of discontinuation of training programs.
- (5) Organizers of vocational training not obeying and still organizing vocational training programs already stopped as meant in paragraph (4) shall be subjected to a sanction in the form of revocation of license and nullification or registration of training organizers.
- (6) Provisions on procedures for suspension, discontinuation, revocation of license and nullification of registration shall be regulated by a decree of the minister.

Article 18

- (1) Manpower shall entitle to obtain recognition of work competence after attending vocational training organized by government-owned vocational training institution, private vocational training institutions or on-job training.
- (2) The recognition of the work competence as meant in paragraph (1) shall be done through a work competence certificate.
- (3) The certification of work competence as meant in paragraph (2) also can be attended by experienced manpower.
- (4) An independent national agency for certification of profession shall be established to undertake certification of work competence.
- (5) The establishment of the independent national agency for certification of profession as meant in paragraph (4) shall be regulated by a government regulation.

Article 19

Vocational training of disabled manpower shall be organized by observing kind, degree of disability and capability of the relevant manpower.

Article 20

- (1) In order to support the enhancement of vocational training in the framework of manpower development, a national vocational-training system which constitutes a reference to the implementation of vocational training in all fields and/or sectors shall be developed.
- (2) Provisions on model, mechanism and institution of the national vocational training system as meant in paragraph (1) shall be regulated by a government regulation.

Article 21

Vocational training can be organized by an apprenticeship system.

Article 22

- (1) The apprenticeship shall be done on the basis of a written apprenticeship agreement between participants and entrepreneurs.
- (2) The apprenticeship agreement as meant in paragraph (1) shall contain at least rights and obligations of participant and entrepreneurs as well as the period of apprenticeship.

- (3) The apprenticeship not organized through the apprenticeship agreement as meant in paragraph (1) shall be deemed illegitimate and the status of participants shall change into works/labor of the said companies.

Article 23

Manpower already attending the apprenticeship program shall be entitled to obtain recognition of work competence qualification from companies or certification institution.

Article 24

Apprenticeship can be implemented in company or vocational training or other companies inside or outside the Indonesian territory.

Article 25

- (1) The apprenticeship executed outside in Indonesian territory shall secure a license from the minister or the appointed official.
- (2) In order to obtain the license as meant in paragraph (1), organizers of apprenticeship shall be in the form of Indonesian statutory body in accordance with the provisions of laws in force.
- (3) Provisions on procedures for licensing the apprenticeship outside the Indonesian territory as meant in paragraphs (1) and (2) shall be regulated by a decree of the minister.

Article 26

- (1) Organizers of apprenticeship outside the Indonesian territory shall pay attention to:
 - a. Dignity and status of the Indonesian people;
 - b. Mastery of higher competence; and
 - c. Protection and welfare of apprenticeship participants, including the right to perform worship
- (2) The minister or the appointed official can discontinue the apprenticeship outside the Indonesian territory if in the implementation, the program is not in accordance with the provision as meant in paragraph (1).

Article 27

- (1) The minister can require companies fulfilling requirements for undertaking apprenticeship programs.

- (2) In stipulating the requirements as meant in paragraph (1), the minister shall observe interests of companies, society and the state.

Article 28

- (1) A national vocational-training coordinating institution shall be established to provide recommendations and considerations in stipulating policies as well as coordinating vocational training and apprenticeship.
- (2) The establishment, membership and working arrangement of the vocational-training coordinating institution as meant in paragraph (1) shall be regulated by a presidential decree.

Article 29

- (1) The central and/or regional governments can foster vocational training and apprenticeship.
- (2) The fostering of the vocational training and apprenticeship shall be directed to enhance relevance, quality and efficiency of vocational training and productivity.
- (3) The enhancement of productivity as meant in paragraph (2) shall be done through the development of productive culture, working ethos, technology, and efficiency of economic activities towards the realization of national productivity.

Article 30

- (1) A national productivity institution shall be established to enhance the productivity as meant in Article 29 paragraph (2).
- (2) The productivity institution as meant in paragraph (1) shall be in the form of inter-sector and regional institutional networks of productivity enhancement service.
- (3) The establishment, membership and working arrangement of the national productivity institution as meant in paragraph (1) shall be regulated by a presidential decree.

CHAPTER VI

MANPOWER PLACEMENT

Article 31

Every manpower shall have equal rights and opportunity to choose, obtain and move to other job and earn adequate income in the country or abroad.

Article 32

- (1) Manpower placement shall be done on the basis of the transparent, free, objectives as well as just and equal non-discriminatory principles.
- (2) Manpower placement shall be directed to place manpower in appropriate positions in accordance with the expertise, skill, talent, interest and capability by observing dignity, status, human rights and legal protection.
- (3) Manpower placement shall be done by observing equitable distribution of job opportunity and provision of manpower in accordance with the need of national and regional programs.

Article 33

Manpower placement shall consist of:

- a. Domestic manpower placement, and
- b. Overseas manpower placement

Article 34

Provisions on the overseas manpower placement as meant in Article 33 letter b shall be regulated by a law.

Article 35

- (1) Employers needing manpower can recruit the needed manpower directly or through manpower placement service providers.
- (2) The manpower placement service providers as meant in paragraph (1) shall provide protection as from the recruitment to the manpower placement.
- (3) The employers as meant in paragraph (1) in employing manpower shall provide protection covering welfare, safety and physical and mental health of manpower.

Article 36

- (1) Manpower placement by the providers as meant in Article 35 paragraph (1) shall be done by providing manpower placement service.
- (2) The manpower placement service as meant in paragraph (1) shall be integrated in a manpower placement system covering components of:
 - a. Job seekers;
 - b. Job vacancies;

- c. Labor market information;
 - d. Inter-job mechanism; and
 - e. Manpower placement institution
- (3) The components of the manpower placement system as meant in paragraph (1) can be implemented separately for realizing manpower placement.

Article 37

- (1) The manpower placement service providers as meant in Article 35 paragraph (1) shall consist of:
- a. Government institution responsible for manpower affairs;
 - b. Private institutions having statutory body
- (2) The private manpower-placement institutions as meant in paragraph (1) letter b in providing manpower placement service shall secure a license from the minister or the appointed official.

Article 38

- (1) The manpower placement service provider as meant in Article 37 paragraph (1) letter a shall be prohibited from collecting placement cost, directly or indirectly, partly or wholly from manpower users.
- (2) The manpower placement service provider as meant in Article 37 paragraph (1) letter b only can collect manpower placement cost from manpower users and manpower of certain categories and positions.
- (3) The categories and positions as meant in paragraph (2) shall be stipulated by a decree of the minister.

CHAPTER VII

EXPANSION OF JOB OPPORTUNITY

Article 39

- (1) The government shall be responsible for making efforts to expand job opportunity both inside and outside working relations.
- (2) The government and society shall collectively make efforts to expand job opportunity both inside and outside working relations.

- (3) All policies of the central and regional governments in every sector shall be directly to realize the expansion of job opportunity both inside and outside working relations.
- (4) Financial institutions being banks or non-banks and business communities shall need to assist and provide facilities for every social activity that can create or expand job opportunity.

Article 40

- (1) The expansion of job opportunity outside working relations shall be done through the creations of productive and sustainable activities by enhancing the efficiency of potentials of natural resources, human resources and appropriate technology.
- (2) The creation of job opportunity expansion as meant in paragraph (1) shall be done by pattern of self employment promotion and fostering, application of labor intensive system, appropriate technology and enhancement of efficiency of voluntary manpower or other pattern that can encourage the expansion of job opportunity.

Article 41

- (1) The government shall stipulate policies on manpower affairs and job opportunity expansion.
- (2) The government and society shall collectively supervise the implementation of the policies as meant in paragraph (1).
- (3) In executing the task as meant in paragraph (2), according agency consisting of representatives of the government and society can be established.

CHAPTER VIII

ASSIGNMENT OF EXPATRIATES

Article 42

- (1) Every employer employing expatriates shall secure a written license from the minister or the appointed official.
- (2) Individual employers shall be prohibited from employing expatriates.
- (3) The obligation to possess the license as meant in paragraph (1) shall not apply to foreign representative offices employing expatriates as diplomatic and consular employees.

- (4) Expatriates can be employed in Indonesia only inside working relations for certain positions and period.
- (5) Provisions on the certain positions and period as meant in paragraph (4) shall be stipulated by a decree of the minister.
- (6) The expatriates as meant in paragraph (4) having their working period expiring and un-extendable could be replaced by other expatriates.

Article 43

- (1) Employers employing expatriates shall have an expatriate assignment plan ratified by the minister or the appointed official.
- (2) The expatriate assignment plan as meant in paragraph (1) shall contain at least information about:
 - a. Reason for employing expatriates;
 - b. Position and/or status of expatriates in the organizational structure of the said companies;
 - c. Period of assignment of expatriates;
 - d. Appointment of manpower being Indonesian citizens as counterpart of the employed expatriates.
- (3) The provision as meant in paragraph (1) shall not apply to government institutions, international agencies and representative offices of foreign countries.
- (4) The provision on procedures for ratification of the expatriates assignment plan shall be stipulated by a decree of the minister

Article 44

- (1) Employers of expatriates shall abide by the provisions on positions and competence standards in force.
- (2) Provisions on the positions and competence standards as meant in paragraph (1) shall be regulated by a decree of the minister.

Article 45

- (1) Employers of expatriates shall:
 - a. Appoint manpower being Indonesian citizens as counterpart of the employed expatriates for the transfer of technology and expertise from the said expatriates; and

- b. Organize education and training for the Indonesian manpower as meant in letter a according to the qualification of positions assumed by the expatriates
- (2) The provision as meant in paragraph (1) shall not apply to expatriates assuming the position of executive directors and/or commissioners.

Article 46

- (1) Expatriates shall be prohibited from assuming positions in charge of personnel affairs and/or certain positions.
- (2) The certain positions as meant in paragraph (1) shall be regulated by a decree of the minister.

Article 47

- (1) Employers shall pay compensation to every expatriate that they employ.
- (2) The obligation to pay the compensation as meant in paragraph (1) shall not apply to government institutions, representative offices of foreign countries, international agencies, social institutions, religious institutions and certain positions in educational institutions.
- (3) Provisions on the certain positions in the educational institutions as meant in paragraph (2) shall be regulated by a decree of the minister.
- (4) Provision on the amount of compensation and its allocation shall be regulated by a government regulation.

Article 48

Employers employing expatriates shall return the expatriates to their countries of origin after the working relations expire.

Article 49

Provisions on assignment or expatriates and the organization of education and training for counterpart manpower shall be regulated by a presidential decree.

CHAPTER IX

WORKING RELATIONS

Article 50

Working relations shall arise from working agreement between entrepreneurs and/or workers/labor.

Article 51

- (1) A working agreement shall be made in writing or verbally.
- (2) Working agreements required in writing shall be implemented in accordance with the provisions of laws in force.

Article 52

- (1) A working agreement shall be made on the basis of:
 - a. Bilateral agreement;
 - b. Capacity and capability of taking legal action;
 - c. Agreed jobs;
 - d. Agreed jobs do not contravene public order, morality and legislation in force
- (2) Working agreements made by parties, which contravene the provision as meant in paragraph (1) letters a and b can be nullified.
- (3) Working agreements made by parties, which contravene the provisions as meant in paragraph (1) letters c and d shall be null legally.

Article 53

All matters and/or costs needed for making working agreements shall be implemented and borne by entrepreneurs.

Article 54

- (1) A working agreement made in written shall contain at least:
 - a. Name, address of company and business line;
 - b. Name, sex, age and address of worker/labor;
 - c. Position or kind of job;
 - d. Location of job;
 - e. Wage and its payment system;
 - f. Working requirements containing rights and obligations of entrepreneurship and worker/labor;
 - g. Date of commencement and validity period of working agreement;

- h. Where and when working agreement is made;
 - i. Signatures of parties in the working agreement
- (2) Provisions in the working agreements as meant in paragraph (1) letters e and f cannot contravene corporate rule, collective working agreement, and laws in force.
- (3) The working agreement as meant in paragraph (1) shall be made in duplicate, having the equal legality, as well as worker/labor and entrepreneur respectively obtains one working agreement.

Article 55

A working agreement cannot be withdrawn and/or amended unless otherwise approved by the parties.

Article 56

- (1) A working agreement shall be made for specified or unspecified period.
- (2) The working agreement for the specified period as meant in paragraph (1) shall be based on:
- a. The period; or
 - b. Completion of a certain job

Article 57

- (1) A working agreement for a specified shall be made in writing and use the Indonesian language and Latin letter.
- (2) Working agreements for a specified period made in writing that contravene the provisions as meant in paragraph (1) shall be stipulated as working agreements for unspecified period.
- (3) In the case of a working agreement being made in the Indonesian language and foreign language, later resulting in different interpretation between the both, the Indonesia-language version shall be valid.

Article 58

- (1) Working agreements for specified period cannot require a probation period.
- (2) In the case of the probation period being required in the working agreements as meant in paragraph (1), the required probation period shall be null by law.

Article 59

- (1) Working agreements for a specified period only can be made for certain jobs which according to kind and characteristic or activities will be completed in a specified period, namely:
 - a. Once completed or provisional jobs;
 - b. Jobs expected to complete not too long and 3 (three) years at the maximum;
 - c. Seasonal jobs; or
 - d. Jobs related to new products, activities or additional products, which are still in trial run or exploration.
- (2) Working agreements for a specified period cannot be applied to regular jobs.
- (3) Working agreements for a specified period shall be extendible and renewable.
- (4) Working agreements for a specified period, which are based on a certain period can be applied for a period of 2 (two) years at the maximum and only extendible once for another period of one year at the maximum.
- (5) Entrepreneurs planning to extend the working agreements for a specified period shall notify their plan to the relevant workers/labor not later than 7 (seven) days before the date of expiration of the said agreements.
- (6) Working agreements for the specified period can only be renewed after elapsing a grace period of 30 (thirty) days as from the date of expiration of the old working agreements and the agreements only can be renewed once and for 2 (two) years at the maximum.
- (7) Working agreements for the specified period, which fail to meet the provisions as meant in paragraphs (1), (2), (3), (4), (5) and (6) shall become working agreements for unspecified period by law.
- (8) Other matters not yet stipulated in this article shall be further stipulated by a decree of the minister.

Article 60

- (1) Working agreements for unspecified period can require a probation period for 3 (three) months at the maximum.
- (2) In the probation period as meant in paragraph (1), entrepreneurs shall be prohibited from paying wage below the minimum wage in force.

Article 61

- (1) Working agreements shall expire in the case of:
 - a. Workers passing away;
 - b. The period of working agreement expiring;
 - c. The court or industrial relations dispute institution issuing a verdict and/or decision or stipulation having permanent legal power;
 - d. The occurrence of conditions or certain incidents mentioned in working agreements, corporate rule or collective working agreements that can cause working relations to discontinue.
- (2) Working agreements shall not expire because of the death of entrepreneurs or transfer of rights to companies attributable to the sales, inheritance or grant.
- (3) In the case of the transfer of companies, rights of workers/labor shall become dependent of new entrepreneurs, unless otherwise stipulated in the transfer agreement not reducing rights of workers/labor.
- (4) In the case of entrepreneurs, individuals, passing away, heirs of the entrepreneurs can terminate working agreements after negotiating with workers/labor.
- (5) In the case of workers/labor passing away, heirs of the workers/labor shall entitle to obtain their rights in accordance with the provisions of laws in force or rights already regulated in working agreements, corporate rule and collective working agreement.

Article 62

In the case of a party terminating working relations before the expiration of the period stipulated in working agreements for a specified period or the expiration of working relations being not attributable to the provision as meant in Article 61 paragraph (1), the party terminating the working relations shall pay compensation to other party as much as the amount of workers/labor up to the expiration of the period of working agreements.

Article 63

- (1) In the case of working agreements for unspecified period being made verbally, entrepreneurs shall make out a letter of appointment of the relevant workers/labor.
- (2) The appointment letter as meant in paragraph (1) shall contain at least information on:
 - a. Name and address of workers/labor;

- b. Date of commencement of employment,
- c. Kind of job; and
- d. Wage

Article 64

Companies can give up part of jobs to other companies through an agreement on working contract or provision of worker/labor service in writing.

Article 65

- (1) The delivery of part of jobs to other companies shall be done through an agreement on working contract in writing.
- (2) The jobs that can be given up to other companies as meant in paragraph (1) shall meet the following requirements:
 - a. Being executed separately from the main activities;
 - b. Being executed by direct or indirect order of job providers;
 - c. Being supporting activities of companies as whole; and
 - d. Not discouraging production directly
- (3) The other companies as meant in paragraph (1) shall be in the form of statutory bodies.
- (4) Working protection and requirements for workers/labor in the other companies as meant in paragraph (2) shall be at least the same as working protection and requirements in companies giving the jobs or in accordance with the provisions of laws in force.
- (5) Any change in and/or addition to the requirements as meant in paragraph (2) shall be further stipulated by a decree of the minister.
- (6) Working relations in the execution of the jobs as meant in paragraph (1) shall be regulated in a written working agreement between the other companies and workers/labor that they employ.
- (7) The working relations as meant in paragraph (6) can be based on working agreements for a specified period or unspecified period if they meet the requirements as meant in Article 59.
- (8) In the case of the provisions as meant in paragraphs (2) and (3) being not fulfilled, the status of working relations between workers/labor and companies receiving contract

shall change into working relations between workers/labor and companies giving the job by law.

- (9) In the case of the working relations shifting to the companies giving jobs as meant in paragraph (8), the working relations between workers/labor and job providers shall be in accordance with the working relations as meant in paragraph (7).

Article 66

- (1) Workers/labor of companies rendering worker/labor services cannot be employed by job providers for undertaking the main activities or activities directly related to the production, except activities of supporting services or activities not related directly to the production.
- (2) Providers of worker/labor services for activities of supporting services or activities not related directly to the production shall meet the following requirements.
- a. Working relations between workers/labor and companies providing worker/labor services exist;
 - b. Working agreement in force in the working relations as meant in letter a is a working agreement for a specified period that meets the requirements as meant in Article 59 and/or working agreement for unspecified period which are made in writing and signed by both parties;
 - c. Wage protection and welfare, occupational requirements as well as the arising disputes are responsibility of companies providing worker/labor services; and
 - d. Agreement between companies providing worker/labor services and other companies acting as companies providing worker/labor services is made in writing and must contain the articles as meant in this law.
- (3) Worker/labor service providers shall be business entities in the form of statutory bodies and securing license from the institution in charge of manpower affairs.
- (4) In the case of the provisions as meant in meant paragraph (1), paragraph (2) letters a, b and d as well as paragraph (3) failing to meet, the status of working relations between workers/labor and companies providing worker/labor service shall shift to working relations between workers/labor and companies providing the job by law.

CHAPTER X

PROTECTION, WAGE AND WELFARE

Part One

Protection

Paragraph (1)

Disabled Persons

Article 67

- (1) Entrepreneurs employing disabled workers shall provide protection in accordance with the kind and degree of their disability.
- (2) The protection as meant in paragraph (1) shall be provided in accordance with the provisions of laws in force.

Paragraph 2

C H I L D

Article 68

Entrepreneurs shall be prohibited from employing children.

Article 69

- (1) The provision as meant in article 68 can be exempted form children having 13 (thirteen) up to 15 (fifteen) years old to undertake light jobs as long as they do not undermine the growth and physical, mental and social health.
- (2) Entrepreneurs employing children in the light jobs as meant in paragraph (1) shall meet the following requirements:
 - a. Securing a written permit from their parents or custodians;
 - b. Having working agreement between entrepreneurship and parents or custodians;
 - c. Working period of 3 (three) hours at the maximum;
 - d. Being employed on daytime and not disturbing their school schedule;
 - e. Occupational safety and health;
 - f. Clear working relations;
 - g. Receiving wage in accordance with the provision in force.
- (3) The provision as meant in paragraph (2) letters a, b, f and g shall be exempted from children working with their family business.

Article 70

- (1) Children can undertake jobs in workplace being part of educational or training curriculum ratified by the authorized official.
- (2) The children as meant in paragraph (1) shall be 14 (fourteen) years old at the minimum.
- (3) The jobs as meant in paragraph (1) can be done with the provision that:
 - a. They are given clear procedures for executing the jobs as well as counseling and supervision in executing the jobs; and
 - b. Occupational safety and health is protected.

Article 71

- (1) Children can undertake jobs to develop their talent and interests.
- (2) Entrepreneurship employing the children as meant in paragraph (1) shall fulfill the following requirements:
 - a. The children are under direct supervision of their parents or custodians;
 - b. The maximum working period is 3 (three) hours per day;
 - c. Working condition and environment do not affect the physical, mental, social growth and educational schedule in their schools.
- (3) The provision on the children working for purpose of developing their talent and interest as meant in paragraphs (1) and (2) shall be regulated by a decree of the minister.

Article 72

In the case of children being employed together with adult workers/ labor, the workplace of the children shall be separated from workplace of the adult workers/labor.

Article 73

Children shall be deemed working if they stay at workplace, unless otherwise proven conversely.

Article 74

- (1) Whoever shall be prohibited from employing and involving children in worst jobs.
- (2) The worst jobs as meant in paragraph (1) shall include:
 - a. All jobs in the form of slavery or the like;

- b. All jobs utilizing, providing or offering children for prostitution, phonographic production, pornographic show or gambling;
 - c. All jobs utilizing, providing or involving children in the production and trade of liquor, narcotics, psychotropic and other additives; and/or
 - d. All jobs endangering health, safety or morality of the children.
- (3) Kinds of the jobs endangering the health, safety or morality of children as meant in paragraph (2) letter d shall be stipulated by a decree of the minister.

Article 75

- (1) The government shall strive to overcome children working outside working relations.
- (2) The efforts as meant in paragraph (1) shall be regulated in a government regulation.

Paragraph 3

W O M A N

Article 76

- (1) Female worker/labor lower than 18 (eighteen) years old cannot be employed between 23.00 and 07.00
- (2) Entrepreneurs shall be prohibited from employing pregnant workers/labor that according to doctor information are dangerous for the health and safety or their contents and themselves if they work between 23.00 and 07.00.
- (3) Entrepreneurs employing female workers/labor between 23.00 and 07.00 shall be obliged:
 - a. To provide nutritious food and drink; and
 - b. To maintain morality and security upon staying at the workplace
- (4) Entrepreneurs shall be provided shuttle transport for female workers/labor departing and returning from working between 23.00 and 05.00.
- (5) The provision as meant in paragraphs (3) and (4) shall be regulated by a decree of the minister.

Paragraph 4

Working Hour

Article 77

- (1) Every entrepreneur shall implement the provision on working hour.
- (2) The working hour as meant in paragraph (1) shall include:
 - a. 7 (seven) hours in one day and 40 (forty) hours in one week in the case of the working period being 6 (six) days in one week;
 - b. 8 (eight) hours in one day and 40 (forty) hours in one week in the case of the working periods being 5 (five) days in one wee.
- (3) The provision on the working hour as meant in paragraph (2) shall not apply to certain business sectors or jobs.
- (4) The provision on the certain business sectors or jobs as meant in paragraph (3) shall be stipulated by a decree of the minister.

Article 78

- (1) Entrepreneurs employing workers/labor above the working hour as meant in Article 77 paragraph (2) shall meet the following requirements:
 - a. The relevant workers/labor approve;
 - b. The overtime only can be done 3 (three) hours in one day and 14 (fourteen) hours in one week.
- (2) Entrepreneurs employing workers/labor above the working hour as meant in paragraph (1) shall pay overtime wage.
- (3) The provision on the overtime as meant in paragraph (1) letter b shall not apply to certain business sectors or jobs.
- (4) The provision on the overtime and overtime wage as meant in paragraphs (2) and (3) shall be regulated by a decree of the minister.

Article 79

- (1) Entrepreneurs shall provide rest time and leave for workers/labor.
- (2) The rest time and leave as meant in paragraph (1) shall include:
 - a. Rest time between working hour, at least a half hour after working for 4 (four) hours continuously and the rest time excludes working hour;

- b. Weekly rest for one day in the case of the working period being 6 (six) days in one week or 2 (two) days, in the case of the working period being 5 (five) days in one week.
 - c. Long-term rest at least 2 (two) months and it is executed in the seventh and the eighth years respectively one month for workers/labor already working for 6 (six) years continuously with the same company with the provision that the workers/labor no longer entitle to their annual rest in the 2 (two) current years and it subsequently applies to every multiple of 6 (six) years working period.
- (3) The implementation of the annual rest time as meant in paragraph (2) letter c shall be regulated in working agreement, corporate rules or collective working agreement.
 - (4) The right to the long-term rest as meant in paragraph (2) letter d shall only apply to workers/labor working with certain companies.
 - (5) The certain companies as meant in paragraph (4) shall be regulated by a decree of the minister.

Article 80

Entrepreneurs shall provide ample opportunity for workers/labor to perform worship required by their respective religions.

Article 81

- (1) Female worker/labor in the menstruation period that feel sick and notify the condition to entrepreneurship shall not obliged to work in the first and second days of the menstruation period.
- (2) The implementation of the provision as meant in paragraph (1) shall be regulated in working agreement, corporate rules or collective labor agreement.

Article 82

- (1) Female workers/labor shall entitle to obtain a rest time of 1.5 (one and a half month) before the moment of giving and 1.5 (one and half month) after the moment of giving birth according to estimate of doctor or nurse.
- (2) Female workers/labor suffering abortion shall entitle to obtain a rest time of 1.5 (one and a half month) or in accordance with a certificate of doctor or nurse.

Article 83

Female workers/labor still sucking their baby shall be given adequate opportunity to suck their baby if it is to be upon the working hour.

Article 84

Every workers/labor exercising the right to the rest time as meant in Article 79 paragraph (2) letters b, c and d, Article 80 and Article 82 shall be entitle to obtain full wage.

Article 85

- (1) Workers/labor shall not work on official holidays.
- (2) Entrepreneurs can employ workers/labor to work on official holidays if the kind and characteristic of the jobs must be executed or implemented continuously or in other condition on the basis of agreement between workers/labor and entrepreneurs.
- (3) Entrepreneurs employing workers/labor that undertake jobs on the official holidays as meant in paragraph (2) shall pay overtime wage.
- (4) The provision on the kind and characteristic of the jobs as meant in paragraph (2) shall be regulated by a decree of the minister.

Paragraph 5

Occupational Safety and Health

Article 86

- (1) Every workers/labor shall entitle to obtain protection with regard to:
 - a. Occupational safety and health;
 - b. Morality and goodness;
 - c. Treatment in accordance with the human status and dignity as well as religious values
- (2) In order to protect the safety of workers/labor for realizing optimal productivity, occupational safety and health efforts shall be done.
- (3) The protection as meant in paragraphs (1) and (2) shall be implemented in accordance with the provisions of laws in force.

Article 87

- (1) Every company shall apply an occupational safety and health management system integrated with the corporate management system.
- (2) The provision on the application of the occupational safety and health management system as meant in paragraph (1) shall be regulated by a government regulation.

Part Two

W a g e

Article 88

- (1) Every workers/labor shall entitle to obtain income fulfilling humanely adequate sustenance.
- (2) In order to realize the income fulfilling humanely adequate sustenance as meant in paragraph (1), the government shall stipulates a wage policy protecting workers/labor.
- (3) The wage policy protecting workers/labor as meant in paragraph (2) shall include:
 - a. Minimum wage;
 - b. Overtime wage;
 - c. Wage due to absence because of certain reason;
 - d. Wage due to execution of other activities outside their jobs;
 - e. Wage due to exercise of their rights to working rest;
 - f. Model and method of payment of wage;
 - g. Fine and discount of wage;
 - h. Matters included into wage
 - i. Structure and scale of proportional wage;
 - j. Wage for paying severance pay; and
 - k. Wage for calculation of income tax
- (4) The government shall stipulate the minimum wage as meant in paragraph (3) letter a on the basis of the adequate life needed by observing economic productivity and growth.

Article 89

- (1) The minimum wage as meant in Article 88 paragraph (3) letter a shall consist of:
 - a. The minimum wage by provinces or regencies/cities;
 - b. The minimum wage by sectors in provinces or regencies/cities
- (2) The minimum wage as meant in paragraph (1) shall be directed to accomplishment of the adequate life need.

- (3) The minimum wage as meant in paragraph (1) shall be stipulated by governors by observing recommendations of the provincial wage councils and/or regents/mayors.
- (4) Components as well as the implementation of phases of accomplishment of the adequate life need as meant in paragraph (2) shall be stipulated by a decree of the minister.

Article 90

- (1) Entrepreneurs shall be prohibited from paying a wage lower than the minimum wage as meant in Article 98.
- (2) Entrepreneurs unable to pay the minimum wage as meant in Article 89 can apply for postponement.
- (3) Procedures for the postponement as meant in paragraph (2) shall be regulated by a decree of the minister.

Article 91

- (1) Wage regulation stipulated on the basis of agreement between entrepreneurs and workers/labor or labor/worker union shall not be lower than the wage provision stipulated in laws in force.
- (2) In the case of the agreement as meant in paragraph (1) being lower or contravening the legislation, the agreement shall null legally and entrepreneurs shall pay the wage of workers/labor according to the provisions of laws in force.

Article 92

- (1) Entrepreneurs shall formulate structure and scale of wage by taking into account categories, position, working period, education and competence.
- (2) Entrepreneurs shall review the wage periodically by observing the corporate capability and productivity.
- (3) Provisions on the structure and scale of the wage as meant in paragraph (1) shall be regulated by a decree of the minister.

Article 93

- (1) The wage shall not be paid in the case of workers/labor not executing job.
- (2) The provision as meant in paragraph (1) shall not apply:
 - a. Workers/labor being sick thus unable to execute job;

- b. Female workers/labor being sick in the first and second day of their menstruation period thus unable to execute job;
 - c. Workers/labor not coming to work because the relevant workers/labor marry, organize the marriage, circumcision, baptism of their child, their wife gives birth or suffer abortion, their husband or wife or child or son/daughter in law or parent or father/mother in law and family member in one house passes away;
 - d. Workers/labor being unable to execute their job because they are executing their obligation to the state;
 - e. Workers/labor being unable to execute their job because they perform worship ordered by their religion;
 - f. Workers/labor being ready for executing job already promised by entrepreneurs but the entrepreneurs do not employ them because of their mistake or obstacles that entrepreneurs should be avoidable;
 - g. Workers/labor exercising their right to rest;
 - h. Workers/labor executing tasks of workers/labor executing tasks or workers/labor unions on the basis of approval or entrepreneurs;
 - i. Workers/labor executing educational tasks from companies
- (3) The wage paid to the sick workers/labor as meant in paragraph (2) letter a shall be as follows:
- a. 100% (one hundred percent) of the wage in the first 4 (four) months;
 - b. 75% (seventy five percent) of the wage in the second 4 (four) months;
 - c. 50% (fifty percent) of the wage in the third 4 (four) months;
 - d. 25% (twenty five percent) of the wage before entrepreneurs terminates working relations.
- (4) The wage paid to the absent workers/labor as meant in paragraph (2) letter c shall be for:
- a. 3 (three) days, in the case of their marriage;
 - b. 2 (two) days, in the case of the marriage of their son/daughter;
 - c. 2 (two) days, in the case of the circumcision of their son;
 - d. 2 (two) days, in the case of the baptism of their son/daughter;

- e. 2 (two) days, in the case of their wife giving birth or suffering abortion;
 - f. 2 (two) days, in the case of their husband/wife, parent/parent in law, or daughter/son or daughter/son in law passing away;
 - g. One day, in the case of their family member in one house passing away.
- (5) The implementation of the provision as meant in paragraph (1) shall be regulated in working agreement, corporate rules or collective working agreement.

Article 94

In the case of components of the wage consisting of the principal wage and allowance, the principal wage shall make up at least 75% (seventy five percent) of the total principal wage and allowance.

Article 95

- (1) Any violation committed by workers/labor because of their intention or negligence shall be liable to a fine.
- (2) Entrepreneurs causing the lateness in the payment of wage because of their intention or negligence shall be subjected to a fine in accordance with a certain percentage of the wage of workers/labor.
- (3) The government shall regulate the imposition of the fine of entrepreneurs and/or workers/labor in the payment of the wage.
- (4) In the case of companies being declared bankrupt or liquidated on the basis of legislation in force, the wage and other rights of workers/labor shall constitute liabilities having their payment prioritized.

Article 96

The demand for the payment of wage of workers/labor and all kinds of payment arising from working relations shall expire after elapsing the 2 (two) years period as from the date when the right comes up.

Article 97

Provisions on the adequate income, wage policy, adequate life need, and wage protection as meant in Article 88, stipulation of the minimum wage as meant in Article 89 and the imposition of the fine as meant in Article 95 paragraphs (1), (2) and (3) shall be regulated by a government regulation.

Article 98

- (1) National, provincial and regency/city wage councils shall be established to provide recommendations, considerations and formulate wage policies to be stipulated by the government as well as to develop the national wage system.
- (2) Members of the wage councils as meant in paragraph (1) shall consist of representatives of the governments, entrepreneur organizations, labor/worker unions, universities and experts.
- (3) The President shall appoint and relieve members of the national wage council, while members of provincial/regency/city wage councils shall be appointed and dismissed by governors/mayors/regents.
- (4) Provisions on procedures for the establishment, composition of membership, procedures for the appointment and relief of members as well as tasks and working arrangements of the wage councils as meant in paragraphs (1) and (2) shall be regulated by a presidential decree.

Part Three

W e l f a r e

Article 99

- (1) Every workers/labor and their family shall entitle to obtain manpower social insurance.
- (2) The manpower social insurance as mean tin paragraph (1) shall be implemented in accordance with the provisions of laws in force.

Article 100

- (1) In order to enhance welfare of workers/labor and their family, entrepreneurs shall provide welfare facilities.
- (2) The welfare facilities as meant in paragraph (1) shall be provided by observing the need of workers/labor and capability of companies.
- (3) Provisions on kinds and criteria for the welfare facilities in accordance with the need of workers/labor and capability of companies as meant in paragraphs (1) and (2) shall be regulated by a government regulation.

Article 101

- (1) In order to enhance welfare or workers/labor, workers/labor cooperatives and productive business shall be established in companies.
- (2) The government, entrepreneurs and workers/labor or workers/labor unions shall strive drive up workers/labor cooperatives and develop the productive business as meant in paragraph (1).
- (3) The cooperative as meant in paragraph (1) shall be established in accordance with the provisions of laws in force.
- (4) Efforts to boost the workers/labor cooperatives as meant in paragraph (2) shall be regulated in a government regulation.

CHAPTER XI

INDUSTRIAL RELATIONS

Part One

General

Article 102

- (1) In executing industrial relations, the government shall function to stipulate policies, provide service, supervise and take action against any violation of provisions of laws in force.
- (2) In executing industrial relations, workers/labor and workers/labor unions shall function to execute jobs in accordance with their obligations, maintain orderliness for continuous production, channel their aspirations democratically, develop their skill and expertise as well as to take part in promoting companies and fight for welfare of their members and family.
- (3) In executing industrial relations, entrepreneurs and entrepreneur organizations shall function to create partnership, develop businesses, expand job opportunities and provide welfare of workers/labor openly, democratically and in just manner.

Article 103

Industrial relations shall be implemented through facilities of:

- a. Workers/labor union;
- b. Entrepreneur organization;

- c. Bipartite cooperation institution;
- d. Tripartite cooperation institution;
- e. Corporate rule;
- f. Collective labor agreement;
- g. Manpower legislation; and
- h. Industrial relation dispute settlement institution

Part Two

Workers/Labor Union

Article 104

- (1) Every workers/labor shall entitle to establish and become member of workers/labor unions.
- (2) In performing the function as meant in Article 102, the workers/labor union shall entitle to accumulate and manage funds as well as to hold accountability for the funds of organization, including strike fund.
- (3) The amount and procedures for collecting the strike fund as meant in paragraph (2) shall be regulated in memorandum of organization or articles of association of the relevant workers/labor organization.

Part Three

Entrepreneur Organization

Article 105

- (1) Every entrepreneur shall entitle to establish and become member of entrepreneur organization.
- (2) Provision on the entrepreneur organization shall be regulated in accordance with the provision of laws in force.

Part Four

Bipartite Cooperation Institution

Article 106

- (1) Every company employing 50 (fifty) workers/labor or more shall establish a bipartite cooperation institution.
- (2) The bipartite cooperation institution as meant in paragraph (1) shall function as a manpower communication and consultation forum in the company.
- (3) Members of the bipartite cooperation institution as meant in paragraph (2) shall consist of representatives of entrepreneur and representatives of worker/labor appointed by workers/labor democratically to represent interests of workers/labor in the said company.
- (4) Provisions on procedures for the establishment and composition of membership of the bipartite cooperation institution as meant in paragraphs (1) and (3) shall be regulated by a decree of the minister.

Part Five

Tripartite Cooperation Institution

Article 107

- (1) A tripartite cooperation institution shall be provided recommendations, suggestions and opinions for the government and parties concerned in the formulation of policies and settlement of manpower issues.
- (2) The tripartite cooperation institution as meant in paragraph (1) shall consist of:
 - a. National, provincial and regency/city tripartite cooperation institutions; and
 - b. National, provincial and regency/city sector-tripartite cooperation institution.
- (3) Members of the tripartite cooperation institutions shall consist of representatives of the government, entrepreneur organization and workers/labor union.
- (4) The working arrangement and organizational structure of the tripartite cooperation institution as meant in paragraph (1) shall be regulated by a government regulation.

Part Six

Corporate Rule

Article 108

- (1) Every entrepreneur employing at least 10 (ten) people shall make a corporate rule coming into force after the minister or the appointed official ratifies it.
- (2) The obligation to make out the corporate rule as meant in paragraph (1) shall not apply to companies already having collective working agreement.

Article 109

Corporate rule shall be formulated and become responsibility of the said company.

Article 110

- (1) Corporate rule shall be formulated by observing recommendations and considerations of representative of workers/labor in the said company.
- (2) In the case of workers/labor union being already established in the said company, the representatives of workers/labor as meant in paragraph (1) shall be executives of the workers/labor union.
- (3) In the case of workers/labor union being not yet established in the said company, the representatives of workers/labor as meant in paragraph (1) shall be workers/labor elected democratically to represent interests of workers/labor in the said company.

Article 111

- (1) Corporate rule shall contain at least:
 - a. Rights and obligations of entrepreneurs;
 - b. Rights and obligations of workers/labor;
 - c. Working requirements;
 - d. Corporate disciplinary-rule; and
 - e. Validity period of corporate rule
- (2) Provisions in the corporate rule cannot contravene provisions in laws in force.
- (3) Corporate rule shall be valid for 2 (two) years at the maximum and it shall be renewed after the validity period expires.
- (4) In the case of workers/labor union in the company expecting a negotiation about the making of a collective working agreement during the validity period of the corporate rule, the entrepreneur shall meet the request.

- (5) In the case of the negotiation about the making of the collective working agreement as meant in paragraph (4) failing to reach any agreement, the corporate rule shall remain effective until the date of its expiration.

Article 112

- (1) The minister or the appointed official as meant in Article 108 paragraph (1) shall ratify corporate rule not later than 30 (thirty) working days as from the date of receipt of the draft corporate rule.
- (2) If corporate rule has been in accordance with the provision in Article 111 paragraphs (1) and (2) and the 30 (thirty) working days period as meant in paragraph (1) elapsed but the minister or the appointed official has not ratified it, the corporate rule shall be considered already securing ratification.
- (3) In the case of corporate rule not yet fulfilling the requirements as meant in Article 111 paragraphs (1) and (2) the minister or the appointed official shall notify the improvement of the corporate rule in writing to entrepreneur.
- (4) Not later than 14 (fourteen) working days as from the date of receipt of the notification by the notification by the entrepreneur as meant in paragraph (3), the said entrepreneur shall convey again the revised corporate rule to the minister or the appointed official.

Article 113

- (1) Any change in corporate rule before the expiration of the validity period only can be done on the basis of an agreement between entrepreneur and representatives of workers/labor.
- (2) Corporate rule resulting from the amendment as meant in paragraph (1) shall secure ratification from the minister or the appointed official.

Article 114

Entrepreneurs shall notify and explain contents as well as give up the text of corporate rule or its amendment to workers/labor.

Article 115

Provisions on procedures for making out and ratifying corporate rule shall be regulated by a decree of the minister.

Part Seven

Collective Working Agreement

Article 116

- (1) A collective working agreement shall be made by workers/labor union or workers/labor unions already registered at the institution in charge of manpower affairs and entrepreneur or entrepreneurs.
- (2) The collective working agreement as meant in paragraph (1) shall be formulated by means of deliberation.
- (3) The collective working agreement as meant in paragraph (1) shall be made out in writing in Latin letter and the Indonesian language.
- (4) In the case of collective working agreement being made out in languages other than the Indonesian language, the collective working agreement shall be translated into the Indonesian language by sworn-in translator and the translation copy shall be deemed already fulfilling the provision as meant in paragraph (3).

Article 117

In the case of deliberation as meant in Article 116 paragraph (2) failing to reach an agreement, the settlement shall be done by procedures for settlement of industrial relations dispute.

Article 118

In one company, only one collective working agreement can be made and it shall apply to all workers/labor in the said company.

Article 119

- (1) In the case of a company having only one workers/labor union, the workers/labor union shall entitle to represent workers/labor in negotiation about the making of collective working agreement with the entrepreneur if the number of its members is more than 50% (fifty percent) or the total workers/labor in the said company.
- (2) In the case of a company having only one workers/labor union as meant in paragraph (1) but the number of its workers not exceeding 50% of the total workers/labor in the said company, the workers/labor union can represent workers/labor in negotiation with entrepreneur if the said workers/labor union gains support from more than 50% (fifty percent) of the total workers/labor in the company through voting.

- (3) In the case of the support as meant in paragraph (2) being not achieved, the said workers/labor union can re-apply for negotiating collective working agreement with entrepreneur after elapsing the 6 (six) months period as from the date of execution of the voting by following the procedure as meant in paragraph (2).

Article 120

- (1) In the case of company having more than one workers/labor union, the party entitling to represent workers/labor in negotiation with entrepreneur shall be the workers/labor union with the members above 50% of the total workers/labor in the said company.
- (2) In the case of the provision as meant in paragraph (1) failing to meet, the workers/labor unions can build a coalition so as to achieve the quantity of above 50% (fifty percent) of the total workers/labor in the company to represent workers/labor in negotiation with entrepreneur.
- (3) In the case of the provisions as meant in paragraph (1) and (2) failing to meet, the workers/labor unions shall establish a negotiator team with the members being determined proportionally on the basis of the number of members of the respective workers/labor unions.

Article 121

The membership of the workers/labor unions as meant in Articles 119 and 120 shall be proven by membership cards.

Article 122

The voting as meant in Article 119 paragraph (2) shall be organized by a committee consisting of representatives of workers/labor and executives of workers/labor unions and witnessed by official of the institution in charge of manpower affairs and entrepreneurs.

Article 123

- (1) A collective working agreement shall be valid for 2 (two) years at the maximum.
- (2) The collecting working agreement as meant in paragraph (1) can be extended to another term of one year on the basis of a written agreement between entrepreneur and worker/labor union.
- (3) Negotiation about the making of the next collective working agreement can be done 3 (three) months before the expiration of the valid collective working agreement.

- (4) In the case of the negotiation as meant in paragraph (3) failing to reach an agreement, the collective working agreement in force shall remain effective for one year at the maximum.

Article 124

- (1) A collective working agreement shall contain at least:
- a. Rights and obligations of entrepreneurs;
 - b. Rights and obligations of workers/labor union as well as workers/labor;
 - c. Validity period and date of commencement of enforcement of collective working agreement;
 - d. Signature of parties making the collective working agreement.
- (2) Provisions in the collective working agreement cannot contravene provisions in laws in force.
- (3) In the case of contents of the collective working agreement contravening the legislation in force as meant in paragraph (2), the contradictory provisions shall be null by law and the provisions in laws in force shall be valid.

Article 125

In the case of both parties agreeing to amend collective working agreement, the amendment shall constitute a part inseparable from the collective working agreement in force.

Article 126

- (1) Entrepreneurs, workers/labor unions and workers/labor shall execute the provisions in collective working agreement.
- (2) Entrepreneurs and workers/labor union shall notify content of collective working agreement or its amendment to all workers/labor.
- (3) Entrepreneurs shall print and distribute the text of collective working agreement to every workers/labor at expense of the company.

Article 127

- (1) Every working agreement made by entrepreneur and workers/labor cannot contravene collective working agreement.
- (2) In the case of provisions in the working agreement as meant in paragraph (1) contravening collective working agreement, the provisions in the working agreement

shall be null by law and the provisions in the collective working agreement shall be effective.

Article 128

In the case of a working agreement not containing provisions regulated in the collective working agreement, the provisions in the collective working agreement shall be valid.

Article 129

- (1) Entrepreneurs shall be prohibited from replacing collective working agreement by corporate rule as long as the said companies have workers/labor unions.
- (2) In the case of workers/labor union being not existent anymore in companies and collective working agreement being replaced by corporate rule, provisions in the corporate rule cannot be lower than the provisions in the collective working agreement.

Article 130

- (1) If a collective working agreement already expiring is to be extended or renewed and the company only has one workers/labor union, the extension or renewal of the collective working agreement shall not require the provision in Article 119.
- (2) If a collective working agreement already expiring is to be extended or renewed and the company has more than one working/labor union and workers/labor unions negotiating in the past is no longer able to meet the provision in Article 120 paragraph (1), the extension or renewable of the collective working agreement shall be done by workers/labor unions whose members are above 50% of the total workers/labor unions making the collective working agreement in the past by establishing a negotiator team proportionally.
- (3) If a collective working agreement already expiring is to be extended or renewed and the company has more than one workers/labor union and none of the workers/labor meet the provision in Article 120 paragraph (1), the collective working agreement shall be extended and renewed in accordance with the provision in Article 120 paragraphs (2) and (3).

Article 131

- (1) In the case of the dissolution of workers/labor union or transfer of ownership of company, the collective working agreement shall remain effective until the validity period of the agreement expires.

- (2) In case of the merger of companies and the respective companies having collective working agreements, the collective working agreement in force shall be the collective working agreement better in favor of workers/labor.
- (3) In the event that a company having collective working agreement merges with company not yet having collective labor agreement, the collective working agreement shall apply to the merging companies until the expiration of validity period of the agreement.

Article 132

- (1) A collective working agreement shall come into force as from the date of signing, unless otherwise stipulated in the said collective working agreement.
- (2) The collective working agreement signed by parties that make the collective working agreement subsequently shall be registered by entrepreneur at the institution in charge of manpower affairs.

Article 133

Provisions on requirements and procedures for making out, extending, amending and registering a collective working agreement shall be regulated by a decree of the minister.

Article 134

In realizing the exercise of rights and obligations of workers/labor and entrepreneurs, the government shall supervise and enforce manpower legislation.

Article 135

The implementation of manpower legislation in realizing industrial relations shall constitute responsibility of workers/labor, entrepreneurs and the government.

Part Eight

Industrial Relations Dispute Settlement Institution

Paragraph (1)

Industrial Relations Dispute

Article 136

- (1) Any industrial relations dispute shall be settled by entrepreneurs and workers/labor or workers/labor unions by means of deliberation to reach consensus.

- (2) In the case of the settlement by means of deliberation to reach consensus as meant in paragraph (1) being not achieved, entrepreneur and workers/labor or workers/labor unions shall settle the industrial relations dispute through the procedures for settlement of industrial relations dispute regulated by law.

Paragraph (2)

Labor Strike

Paragraph 137

Labor strikes as the basic right of workers/labor and workers/labor unions shall be held legally, in orderly manner and peacefully as a result of the failure of negotiation.

Article 138

- (1) Workers/labor and workers/labor unions planning to invite workers/labor to stage labor strikes when the labor strike is underway shall be done by means not violating the law.
- (2) Workers/labor invited to stage the labor strike as meant in paragraph (1) can meet or deny the invitation.

Article 139

Labor strike of workers/labor working with companies serving public interests and/or companies whose activities endanger human safety shall be regulated accordingly thus not disturbing public interests and/or endanger safety of other people.

Article 140

- (1) At least 7 (seven) working days before the labor strike is held, workers/labor and workers/labor union shall notify in writing to entrepreneur and the local institution in charge of manpower affairs.
- (2) The notification as meant in paragraph (1) shall contain at least:
 - a. Time (day, date and hour) of commencement and termination of labor strike;
 - b. Venue of labor strike;
 - c. Reasons and causes of the labor strike; and
 - d. Signature of the chairperson and secretary and/or chairperson and secretaries of the respective workers/labor unions as persons in responsible for the labor strike.

- (3) In the case of labor strike being held by workers/labor which are not members or workers/labor union, the notification as meant in paragraph (2) shall be signed by representatives of workers/labor appointed as coordinators and/or persons in responsible for the labor strike.
- (4) In the case of labor strike being not held in accordance with the provision in paragraph (1), for the safety of production instruments and assets of companies, entrepreneurs can take a temporary action by means of:
 - a. Prohibiting workers/labor staging labor strike from staying at location of production activity; or
 - b. If necessary, prohibiting workers/labor staging labor strike from staying at location of the companies.

Article 141

- (1) Government institutions and entrepreneurs receiving the notification of labor strike as meant in Article 140 shall give evidence of receipt.
- (2) Before and during the labor strike, the institution in charge of manpower affairs shall settle dispute triggering the labor strike by organizing a meeting and negotiating with the parties in disputes.
- (3) In the case of the negotiation as meant in paragraph (2) resulting in an agreement, a collective working agreement signed by parties and employee of the institution in charge of manpower affairs as witness shall be made out.
- (4) In the case of the negotiation as meant in paragraph (2) failing to result in an agreement, employee of the institution in charge of manpower affairs shall promptly hand over the dispute triggering the labor strike to the institution authorized to settle industrial relations dispute.
- (5) In the case of the negotiation not resulting in the agreement as meant in paragraph (4), based on a negotiation between entrepreneur and workers/labor union or persons in responsible for labor strike, the labor strike can be continued or suspended or stopped at all.

Article 142

- (1) Labor strike not executed in accordance with the provisions as meant in Article 139 ad 140 shall be illegal labor strike.

- (2) Legal consequences of the illegal labor strike as meant in paragraph (1) shall be regulated by a decree of the minister.

Article 143

- (1) Whoever cannot prevent workers/labor and workers/labor unions from exercising their rights to stage labor strike legally, in orderly manner and peacefully.
- (2) Whoever shall be prohibited from catching and/or detaining workers/labor and executives of workers/labor unions staging labor strike legally, in orderly manner and peacefully in accordance with the provisions of laws in force.

Article 144

In the case of labor strike being held in accordance with the provision as meant in Article 140, entrepreneurs shall be prohibited from:

- a. Replacing workers/labor staging the labor strike by other workers/labor coming from outside companies;
- b. Imposing sanction or counter action in whatever form on workers/labor and executives of workers/labor unions during and after the labor strike.

Article 145

In the case of workers/labor staging labor strike legally in raising demand for normative rights really violated by entrepreneur, workers/labor shall entitle to obtain wage.

Paragraph (3)

Lock Out

Article 146

- (1) Lock out shall constitute the basic right of entrepreneurs to deny workers/labor partly or wholly to undertake job as a result of the failure of negotiation.
- (2) Entrepreneurs cannot execute lock out as a counter action in connection with the normative demand from workers/labor and/or workers/labor unions.
- (3) Lock out shall be executed in accordance with the provisions of laws in force.

Article 147

Lock out cannot be applied to companies serving public interests and/or activities endangering human safety, including hospital, drinking water network service,

telecommunications controlling center, electricity supply center, petroleum and natural processing as well as train.

Article 148

- (1) Entrepreneurs shall notify in writing to workers/labor and/or workers/labor unions as well as the local institution in charge of manpower affairs not later than 7 (seven) working days from the lock out is executed.
- (2) The notification as meant in paragraph (1) shall contain at least:
 - a. Time (day, date and hour) of commencement and termination of lock out; and
 - b. Reasons and causes of lock out
- (3) The notification as meant in paragraph (1) shall be signed by entrepreneurs and/or executives of the said companies.

Article 149

- (1) Workers/labor or workers/labor unions in the institution in charge of manpower affairs receiving directly the letter of notification of lock out as meant in Article 148 shall put evidence of receipt by mentioning the day, date and hour of receipt.
- (2) Before and during the lock out, the institution in charge of manpower affairs shall be authorized directly to settle the problem triggering the lock out by means of organizing a meeting between and negotiation with the parties in dispute.
- (3) In the case of the negotiation as meant in paragraph (2) resulting in an agreement, a collective agreement signed by parties and employee of the institution in charge of manpower affairs as witness shall be made out.
- (4) In the case of the negotiation as meant in paragraph (2) failing to result in an agreement, employee of the institution in charge of manpower affairs shall promptly hand over the problem triggering the lock out to the institution authorized to settle industrial relations dispute.
- (5) In the case of the negotiation not resulting in the agreement as meant in paragraph (4), based on a negotiation between entrepreneurs and workers/labor union, the lock out can be continued or suspended or stopped at all.
- (6) The notification as meant in Article 148 paragraphs (1) and (2) shall not be needed if:
 - a. Workers/labor or workers/labor unions violate the procedures for staging labor strike as meant in Article 140.

- b. Workers/labor or workers/labor unions violate normative provisions stipulated in working agreement, corporate rule, collective labor agreement and laws in force.

CHAPTER XII

DISCONTINUATION OF WORKING RELATIONS

Article 150

Provisions on discontinuation of working relations in this law shall include discontinuation of working relations in business entities in the form of statutory body or not, belonging to individuals, partnership or statutory bodies, owned by the private or state, and social businesses and other businesses having executives and employing other people by paying wage or compensation in other forms.

Article 151

- (1) Entrepreneurs, workers/labor, workers/labor unions and the government, by all means, shall strive to avoid discontinuation of working relations.
- (2) In the case of all efforts being made, but discontinuation of working relations being unavoidable, entrepreneurs shall negotiate the plan for discontinuation of working relations with workers/labor union or workers/labor in the case of the said workers/labor being not members of workers/labor union.
- (3) In the case of the negotiation as meant in paragraph (1) totally failing to result in an agreement, entrepreneurs only can discontinue working relations with workers/labor after securing a stipulation from the institution authorized to settle industrial relations dispute.

Article 152

- (1) Application for stipulation of discontinuation of working relations shall be submitted in writing to the institution authorized to settle industrial relations dispute, accompanied by reasons becoming the basis of the discontinuation.
- (2) The institution authorized to settle industrial relations dispute can accept the application for stipulation as meant in paragraph (1) if it has been negotiated in accordance with the provision in Article 151 paragraph (2).
- (3) The institution authorized to settle industrial relations dispute only can issue stipulation of the application for discontinuation of working relations if the plan for

discontinuation of working relations has been negotiated by the negotiation failed to result in an agreement.

Article 153

- (1) Entrepreneurs shall be prohibited from discontinuing working relations with the following reasons:
 - a. Workers/labor fail to come because they are sick according certificate of doctor as long as the period of absence does not exceed 12 (twelve) months continuously;
 - b. Workers/labor are unable to undertake their jobs because they fulfill obligations to the state in accordance with the provisions of laws in force;
 - c. Workers/labor perform worship ordered by their religions;
 - d. Workers/labor marry;
 - e. Female workers/labor are pregnant, give birth, suffer abortion or suck their babies;
 - f. Workers/labor have relations by blood and/or marriage with other workers/labor in companies, unless otherwise stipulated in working agreement, corporate rule or collective working agreement;
 - g. Workers/labor establish, become members and/or executive of workers/labor unions, workers/labor undertake activities or workers/labor unions outside the working hour or during the working hour on the basis of agreement of entrepreneurs or on the basis of the provisions stipulated in working agreement, corporate rule or collective working agreement;
 - h. Workers/labor report entrepreneurs to the authorized parties with regard to action of entrepreneurs to commit crime,
 - i. Because of the different faith, religion, political ideology, ethnic, race, group, sex, physical condition or marriage status;
 - j. Workers/labor disabled permanently, sick because of working accident or disease related to working relations whose recovery period, according to letter of doctor, cannot be ascertained yet.
- (2) The working relations terminated on the basis of the reasons as meant in paragraph (1) shall be null by law and entrepreneurs shall re-employ the said workers/labor.

Article 154

The stipulation as meant in Article 151 paragraph (3) shall be unnecessary, in the case of:

- a. Workers/labor being in the probation period, if it has been required in writing previously;
- b. Workers/labor tendering their resignation, in writing on the basis of their intention without indication of pressure/intimidation from entrepreneurs, expiration of working relations in accordance with working agreement for a specified period for the first time;
- c. Workers/labor enter the mandatory retirement age in accordance with the stipulation in working agreement, corporate rule, collective working agreement or laws in force; or
- d. Workers/labor pass away.

Article 155

- (1) The discontinuation of working relations without the stipulation as meant in Article 151 paragraph (3) shall be null by law.
- (2) As long as the institution authorized to settle industrial relations dispute has not stipulated a decision, both entrepreneurs and workers/labor shall continue executing their obligations.
- (3) Entrepreneur can deviate from the provision as meant in paragraph (1) in the case of imposing provisional dismissal on workers/labor in the course of discontinuation of working relations by continuously paying wage and other rights usually received by the said workers/labor.

Article 156

- (1) In case of labor dismissal, entrepreneurs shall be obliged to pay severance pay and/or right compensation, which should be received.
- (2) The minimum amount of the severance pay as meant in paragraph (1) shall be stipulated as follows:
 - a. Amounting to wage for one month, in the case of the working period being less than one year;
 - b. Amounting to wage for 2 (two) months, in the case of the working period being one year or more than 2 (two) years;

- c. Amounting to wage for 3 (three) months, in the case of the working period being 2 (two) years but less than 3 (three) years;
- d. Amounting to wage for 4 (four) months, in the case of the working period 3 (three) years but less than 4 (four) years;
- e. Amounting to wage for 5 (five) months, in the case of the working period being 4 (four) years but less than 5 (five) years;
- f. Amounting to wage for 6 (six) months, in the case of the working period being 5 (five) years but less than 6 (six) years;
- g. Amounting to wage for 7 (seven) months, in the case of the working period being 6 (six) years but less than 7 (seven) years;
- h. Amounting to wage for 8 (eight) months, in the case of the working period being 7 (seven) years but less than 8 (eight) years;
- i. Amounting to wage for 9 (nine) months, in the case of the working period being 8 (eight) years but less than 9 (nine) years;

(3) The gratuity as meant in paragraph (1) shall be stipulated as follows:

- a. Amounting to wage for 2 (two) months, in the case of the working period being 3 (three) years or more;
- b. Amounting to wage for 3 (three) months, in the case of the working period being 6 (six) years or more but less than 9 (nine) years;
- c. Amounting to wage for 4 (four) months, in the case of the working period being 9 (nine) years or more but less than 12 (twelve) years;
- d. Amounting to wage for 5 (five) months, in the case of the working period being 12 (twelve) years or more but less than 15 (fifteen) years;
- e. Amounting to wage for 6 (six) months, in the case of the working period being 15 (fifteen) years or more but less than 18 (eighteen) years;
- f. Amounting to wage for 7 (seven) months, in the case of the working period being 18 (eighteen) years or more but less than 21 (twenty one) years;
- g. Amounting to wage for 8 (eight) months, in the case of the working period being 21 (twenty one) years or more but less than 24 (twenty four) years;
- h. Amounting to wage for 10 (ten) months, in the case of the working period being 24 (twenty four) years or more.

- (4) The right compensation which should be received as meant in paragraph (1) shall include:
- a. Annual leave not yet taken and null;
 - b. Expense or cost of workers/labor and their family to return to place where the workers/labor are accepted to work;
 - c. Compensation for housing or medical treatment and care is set at 15% (fifteen percent) of the severance pay and/or gratuity for those fulfilling requirement;
 - d. Others stipulated in working agreement, corporate rule or collective working agreement.
- (5) Any change in the calculation of severance pay, gratuity and right compensation as meant in paragraphs (2), (3) and (4) shall be stipulated by a government regulation.

Article 157

- (1) Wage components used the basis for calculating severance pay, gratuity and the should be right compensation which are postponed shall consist of:
- a. Principal wage;
 - b. All kinds of permanent allowances given to workers/labor and their families, including the purchasing price of ration granted to workers/labor in free of charge and in the case of workers/labor paying the ration by subsidy, the difference between the purchasing price and the price which must be paid by workers/labor is considered as wage.
- (2) In the case of income of workers/labor being paid on the basis of the daily calculation, the income for one month shall be equal to 30 (thirty) times of the daily income.
- (3) In the case of the wage of workers/labor being paid on the basis of calculation of unit of output, piece/contract or commission, the daily income shall be equal to the average daily income for the latest 12 (twelve) months, with the provision that it cannot be lower than the amount set in the provision of the provincial and/or regency/city minimum wage.
- (4) In the case of the job being dependent in weather condition and the wage being based on contract wage, the monthly wage shall be calculated from the average wage in the last 12 (twelve) months.

Article 158

- (1) Entrepreneurs can terminate working relations with workers/labor with the reason that the said workers/labor commit serious mistakes as follows:
 - a. Deceit, robbery or embezzlement of corporate goods and/or money;
 - b. Providing false or falsified information thus inflicting loss on company;
 - c. Being drunk, drinking alcoholic drink, consuming and or distributing narcotics, psychotropic and other additives within the working environment;
 - d. Immoral actions or gambling within the working environment;
 - e. Attacking, torturing, threatening or intimidating fellow workers or entrepreneurs within the working period;
 - f. Persuading fellow workers or entrepreneurs to commit actions contravening legislation;
 - g. Damaging or letting carelessly or intentionally corporate property in a dangerous condition thus inflicting loss on company;
 - h. Letting fellow workers or entrepreneurs carelessly or intentionally in a dangerous condition in the working period;
 - i. Revealing or disclosing corporate secret which should be kept in secrecy unless otherwise in the interest of the state; or
 - j. Other deeds within the corporate environment, which are liable to imprisonment for 5 (five) years or more.
- (2) The serious mistakes as meant in paragraph (1) shall be supported by the following evidences:
 - a. Workers/labor are caught in red handed.
 - b. The said workers/labor concede;
 - c. Other evidences in the form of incident report made by the authorized party in the said company and supported by at least 2 (two) witnesses.
- (3) Workers/labor having their working relations terminated on the basis of the reasons as meant in paragraph (2) can obtain the right compensation as meant in Article 156 paragraph (4).
- (4) In addition to the right compensation according to the provision in Article 156 paragraph (4), separate money shall also be granted to the workers/labor as meant

in paragraph (1), whose task and function do not represent interest of entrepreneurs directly with the amount and implementation being regulated in working agreement, corporate rule or collective working agreement.

Article 159

In the case of workers/labor not accepting the termination of working relations as meant in Article 158 paragraph (1), the said workers/labor can raise objection to the industrial-relation dispute settlement institution.

Article 160

- (1) In the case of workers/labor being detained by the authorized party for alleged crime not on the basis of report of entrepreneurs, the said entrepreneurs shall not be obliged to pay wage but pay assistance to families of the workers/labor being their dependent with the provisions as follows:
 - a. In the case of the dependent being one person, 25% (twenty five percent) of the wage;
 - b. In the case of the dependent being 2 (two) persons, 35% (thirty five percent) of the wage;
 - c. In the case of the dependent being 3 (three) persons, 45% (forty five percent) of the wage;
 - d. In the case of the dependent being 4 (four) persons, 50% (fifty percent) of the wage;
- (2) The assistance as meant in paragraph (1) shall be given for a period of 6 (six) calendar months at the maximum, starting from the first day of detention of workers/labor by the authorized party.
- (3) Entrepreneurs can terminate working relations with workers/labor already unable to work accordingly after the six months period because the relevant workers/labor are in the criminal proceedings as meant in paragraph (1).
- (4) In the case of the court deciding the criminal case before the six months period as meant in paragraph (3) elapses and the workers/labor being declared not guilty, entrepreneurs shall re-employ the said workers/labor.
- (5) In the case of the court deciding the criminal case before the six months period as meant in paragraph (3) elapses and the workers/labor being declared guilty, entrepreneurs can terminate working relations with the said workers/labor.

- (6) The termination of working relations as meant in paragraphs (3) and (5) can be done without stipulation of the industrial-relation dispute settlement institution.
- (7) Entrepreneurs shall pay gratuity amounting to one time of the provision in Article 156 (3) and right compensation according to the provision in Article 156 paragraph (4) to the workers/labor facing termination of workers/labor relations as meant in paragraphs (3) and (5).

Article 161

- (1) In the case of workers/labor violating any provision regulated in working agreement, corporate rule or collective working agreement, entrepreneurs can terminate working relations after letters of first, second and third reminder are issued consecutively to the relevant workers/labor.
- (2) The letters of reminder as meant in paragraph (1) shall be respectively valid for 6 (six) months at the maximum, unless otherwise stipulated in working agreement, corporate rule or collective working agreement.
- (3) Workers/labor facing termination of working relations with the reason as meant in paragraph (1) shall obtain severance pay amounting to one time of the provision in Article 156 paragraph (2), gratuity amounting to one time of the provision in Article 156 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4).

Article 162

- (1) Workers/labor tendering resignation on the basis of their will shall obtain right compensation according to the provision in Article 156 paragraph (4).
- (2) Besides receiving the right compensation according to the provision in Article 156 paragraph (4), separate money shall also be granted to workers/labor tendering resignation on the basis of their will that have tasks and functions not representing interests of entrepreneurs directly with the amount and implementation being regulated in working agreement, corporate rule or collective working agreement.
- (3) The workers/labor tendering resignation as meant in paragraph (1) shall fulfill the following requirements:
 - a. Submitting application for resignation in writing not later than 30 (thirty) days before the date of commencement of resignation;
 - b. Being not bound in service term; and

- c. Continuing the execute their obligations until the date of commencement of resignation
- (4) The termination of working relations on the basis of resignation at will, shall be done without stipulation of the industrial relation dispute settlement institution.

Article 163

- (1) Entrepreneurs can terminate working relations with workers/labor in the case of any change in the status, merger, consolidation or change in ownership of companies and workers/labor being not ready to continue working relations, and the workers/labor shall entitle to severance pay amounting one time of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (3).
- (2) Entrepreneurs can terminate working relations with workers/labor in the case of any change in the status, merger, consolidation or change in ownership of companies and workers/labor being not ready to accept workers/labor in their companies, and the workers/labor shall entitle to severance pay amounting one time of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph

Article 164

- (1) Entrepreneurs can terminate working relations with workers/labor because the companies are closed due to continuous loss for 2 (two) years of force majeure with the provisions that the workers/labor shall entitle to severance pay amounting one time of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4).
- (2) The corporate loss as meant in paragraph (1) shall be proven by financial statement for the last 2 (two) years, already audited by public accountant.
- (3) Entrepreneurs can terminate working relations with workers/labor because companies are closed due to continuous loss for 2 (two) years and corporate efficiency, instead of force majeure with the provision that the workers/labor shall entitle to severance pay amounting two times of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4).

Article 165

Entrepreneurs can terminate working relations with workers/labor because the companies go bankrupt with the provision that the workers/labor shall entitle to severance pay amounting one time of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4).

Article 166

In the case of working relations with workers/labor passing way, and their heirs shall be given money amounting to two times of the severance pay in accordance with the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4).

Article 167

- (1) Entrepreneurs can terminate working relations with workers/labor because the relevant workers/labor enter the mandatory age of retirement and in the case the entrepreneurs already involving the workers/labor in pension program whose contribution is paid fully by entrepreneurs, the workers/labor shall entitle to severance pay according to the provision in Article 156 paragraph (2), gratuity set forth in the provision in Article 153 paragraph (3) but entitle to the right compensation according to the provision in Article 156 paragraph (4).
- (2) In the case of the amount of the pension guarantee or benefit received in lump sum in the pension program as meant in paragraph (1) turning out to be lower than the amount of two times of the severance pay as meant in the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4), the difference shall be paid by entrepreneurs.
- (3) In the case of entrepreneurs already involving workers/labor labor in pension program whose contribution/premium is paid by entrepreneurs and workers/labor, premium/contribution to the pension program paid by the entrepreneurs shall be included into severance pay.
- (4) The provisions as meant in paragraphs (1) and (2) can be stipulated other in working agreement, corporate rule or collective working agreement.

- (5) In the case of entrepreneurs not involving workers/labor that the face termination of working relations because they enter the mandatory age of retirement in the pension program, the entrepreneurs shall give severance pay amounting to two times of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4) to the relevant workers/labor.
- (6) The rights to the pension benefit as meant in paragraphs (1), (2), (3) and (4) shall not eliminate rights of workers/labor to compulsory old-age insurance according to the provisions of laws in force.

Article 168

- (1) In the case of workers/labor being absent for 5 (five) working days or more consecutively without written statement accompanied by legitimate evidence and being already summoned twice by entrepreneurs reasonably and in writing, working relations can be terminated because the said workers/labor re qualified resignation.
- (2) The written statement with legitimate evidence as meant in paragraph (2) shall be given up not later than the first day when the workers/labor come to work.
- (3) In the case of the termination of working relations as meant in paragraph (1), the workers/labor entitle to obtain right compensation according to the provision in Article 156 paragraph (4) and separate money is given to the relevant with the amount and implementation being regulated in working agreement, corporate rule or collective working agreement.

Article 169

- (1) Workers/labor can apply for termination of working relations to the industrial-relations dispute settlement institution in the case of entrepreneurs committing the following actions:
 - a. Torturing, embarrassing rudely or threatening workers/labor;
 - b. Persuading and/or ordering workers/labor to commit actions violating laws in force;
 - c. Not paying wage punctually at the time already stipulated for 3 (three) months or more consecutively;
 - d. Not fulfilling the obligations already promised to workers/labor;
 - e. Ordering workers/labor to execute jobs outside the promised;

- f. Giving jobs endangering live, safety, health and morality of workers/labor, whereas the jobs are not mentioned in the working agreement.
- (2) In the case of the termination of working relations on the basis of the reason as meant in paragraph (1), workers/labor shall entitle to severance pay amounting to two times of the provision in Article 156 paragraph (2), gratuity as much as one time of the provision in Article 153 paragraph (3) and right compensation according to the provision in Article 156 paragraph (4).
- (3) In the case of the industrial relations dispute settlement institution declaring that the entrepreneurs do not commit the actions as meant in paragraph (1), the entrepreneurs can terminate working relations without the stipulation of the industrial relations dispute settlement institution and the said workers/labor shall not entitle to severance pay according to the provision in Article 156 paragraph (2), gratuity according to the provision in Article 153 paragraph (3).

Article 170

The termination of working relations failing to meet the provisions in Article 151 paragraph (3) and Article 168, except Article 158 paragraph (1), Article 160 paragraph (3), Article 162 and Article 169 shall be null and entrepreneurs shall employ the said workers/labor as well as pay the whole wage and rights which should be received.

Article 171

In the case of workers/labor facing termination of workers/labor without stipulation of the authorized industrial relations dispute settlement institution as meant in Article 158 paragraph (1), Article 160 paragraph (3) and Article 162 and the said workers/labor being not acceptable to the termination of the working relations, the workers/labor can submit complaint to the industrial relations dispute settlement institution not later than one year as from the date of termination of working relations.

Article 172

Workers/labor suffering from prolonged sickness, invalidity because of working accident and unable to execute their work after elapsing the 12 (twelve) month period can apply for termination of working relation and the said workers/labor are given severance pay amounting to two times of the provision in Article 156 paragraph (2), gratuity as much as two times of the provision in Article 153 paragraph (3) and right compensation amounting to one time of the provision in Article 156 paragraph (4).

CHAPTER XIII

FOSTERING

Article 173

- (1) The government shall foster elements and activities related to manpower affairs.
- (2) The fostering as meant in paragraph (1) can involve entrepreneur organizations, workers/labor unions and professional organizations concerned.
- (3) The fostering as meant in paragraph (1) and (2) shall be executed integrated and coordinate.

Article 174

In the framework of the manpower fostering, the government entrepreneur organizations, workers/labor unions and professional organizations concerned can promote international cooperation in the manpower sector in accordance with the provisions of laws in force.

Article 175

- (1) The government can give a kind of appreciation to individuals or institutions already rendering service for the fostering of manpower affairs.
- (2) The appreciation as meant in paragraph (1) can be in the form of award, money and/or others.

CHAPTER XIV

SUPERVISION

Article 176

Manpower supervision shall be executed by competent and independent manpower supervisors for ensuring the implementation of manpower legislation.

Article 177

The manpower supervisors as meant in Article 176 shall be appointed by the minister of the appointed official.

Article 178

- (1) Manpower supervision shall be executed by a separate working unit in the institution having the scope of tasks and responsibility in the manpower affairs in the central, provincial and regency/city governments.

- (2) The implementation of the manpower supervision as meant in paragraph (1) shall be regulated in presidential decree.

Article 179

- (1) The manpower supervision unit as meant in Article 178 in the provincial and regency/city governments shall convey report on the implementation of manpower supervision to the minister.
- (2) Procedures for conveying the report as meant in paragraph (1) shall be stipulated a decree of the minister.

Article 180

Provisions on the requirements for the appointment, rights and obligations as well as authority of the manpower supervisors as meant in Article 176 shall be in accordance with legislation in force.

Article 181

In executing their tasks, the manpower supervisors as meant in Article 176 shall:

- a. Keep in secrecy everything characteristically confidential;
- b. Not abuse their authority

CHAPTER XV

INVESTIGATION

Article 182

- (1) In addition to investigators being officials of the Police of the Republic of Indonesia, manpower supervisors shall also be given special authority as civil servant investigators in accordance with the provisions of laws in force.
- (2) The civil servant investigators as meant in paragraph (1) shall be authorized:
 - a. To examine the truth of report as well as information on crimes in the manpower field;
 - b. To examine people allegedly committing crimes in the manpower field;
 - c. To ask for information and evidences from people or statutory bodies in connection with crimes in the manpower field;

- d. To examine or confiscate materials or evidence in criminal cases in the manpower field;
 - e. To examine letters and/or other documents of crimes in the manpower field;
 - f. To ask for assistance of experts in the framework of executing tasks of investigation into crimes in the manpower field; and
 - g. To discontinue investigation if evidences proving crimes in the manpower field are not sufficient.
- (3) The authority of the civil servant investigator as meant in paragraph (2) shall be exercised in accordance with the provisions of laws in force.

CHAPTER XVI

CRIMINAL PROVISIONS AND ADMINISTRATIVE SANCTION

Part One

Criminal Provision

Article 183

- (1) Whoever violating the provision as meant in Article 74 shall be subjected to a criminal sanction in the form of imprisonment for 2 (two) years at the minimum and 5 (five) years at the maximum and/or a fine of Rp. 200,000,000.00 (two hundred million rupiahs) at the minimum and Rp. 500,000,000,00 (five hundred million rupiahs) at the maximum.
- (2) The crime as meant in paragraph (1) shall be a criminal action.

Article 184

- (1) Whoever violating the provision as meant in Article 167 paragraph (5) shall be subjected to a criminal sanction in the form of imprisonment for one year at the minimum and 5 (five) years at the maximum and/or a fine of Rp. 100,000,000.00 (one hundred million rupiahs) at the minimum and Rp. 500,000.000,00 (five hundred million rupiahs) at the maximum.
- (2) The crime as meant in paragraph (1) shall be a criminal action.

Article 185

- (1) Whoever violating the provision as meant in Article 42 paragraphs (1) and (2), Article 68, Article 69 paragraph (2), Article 80, Article 82, Article 90 paragraph (1), Article 143

and Article 160 paragraphs (4) and (7) shall be subjected to a criminal sanction in the form of imprisonment for one year at the minimum and 4 (four) years at the maximum and/or a fine of Rp. 100,000,000.00 (one hundred million rupiahs) at the minimum and Rp. 400,000.000,00 (four hundred million rupiahs) at the maximum.

- (2) The crime as meant in paragraph (1) shall be a criminal action.

Article 186

- (1) Whoever violating the provision as meant in Article 35 paragraphs (2) and (3), Article 93 paragraph (2), Article 137 and Article 138 paragraphs (1) shall be subjected to a criminal sanction in the form of imprisonment for one month at the minimum and 4 (four) years at the maximum and/or a fine of Rp. 10,000,000.00 (ten million rupiahs) at the minimum and Rp. 400,000.000,00 (four hundred million rupiahs) at the maximum.

- (2) The crime as meant in paragraph (1) shall be a criminal action.

Article 187

- (1) Whoever violating the provision as meant in Article 37 paragraph (2), Article 44 paragraph (1), Article 45 paragraph (1), Article 67 paragraph (1), Article 71 paragraph (2), Article 76, Article 78 paragraphs (2), Article 79 paragraphs (1) and (2), Article 83 paragraph (3) and Article 144 shall be subjected to a criminal sanction in the form of imprisonment for one month at the minimum and 12 (twelve) months at the maximum and/or a fine of Rp. 10,000,000.00 (ten million rupiahs) at the minimum and Rp. 100,000.000,00 (one hundred million rupiahs) at the maximum.

- (2) The crime as meant in paragraph (1) shall be a criminal action.

Article 188

- (1) Whoever violating the provision as meant in Article 14 paragraph (2), Article 38 paragraph (2), Article 63 paragraph (1), Article 78 paragraph (1), Article 108 paragraph (1), Article 111 paragraph (3), Article 114 and Article 148 shall be subjected to a criminal sanction in the a fine of Rp. 5,000,000.00 (five million rupiahs) at the minimum and Rp. 500,000.000,00 (fifty hundred million rupiahs) at the maximum.

- (2) The crime as meant in paragraph (1) shall be a criminal action.

Article 189

The criminal sanction in the form of imprisonment and/or fine shall not abolish the obligation of entrepreneurs to pay rights and/or compensation for losses to manpower or worker/labor.

Part Two

Administrative Sanction

Article 190

- (1) The minister or the appointed official shall be appointed to impose administrative sanctions on violations against the provisions stipulated in Article 5, Article 6, Article 15, Article 25, Article 38 paragraph (2), Article 45 paragraph (1), Article 47 paragraph (1), Article 48, Article 87, Article 106, Article 126 paragraph (3) and Article 160 paragraphs (1) and (2) of this law and its technical regulations.
- (2) The administrative sanctions as meant in paragraph (1) shall be in the form of:
 - a. Reminder;
 - b. Written warning
 - c. Restriction of business activity;
 - d. Freezing of business activity;
 - e. Revocation of approval;
 - f. Revocation of registration;
 - g. Suspension of production tools partly or wholly;
 - h. Revocation of licenses
- (3) Provisions on the administrative sanctions as meant in paragraphs (1) and (2) shall be further regulated by the minister.

CHAPTER XVII

TRANSITIONAL PROVISION

Article 191

All technical regulations on manpower affairs shall remain valid as long as they do not contravene and/or have not been replaced by new regulations on the basis of this law.

CHAPTER XVIII

CLOSING PROVISION

Article 192

(1) With the enforcement of this law:

1. Ordinance on Mobilization of Indonesian People to Undertake Jobs outside Indonesia (Statute Book of 1887 No. 8);
2. Ordinance on Restriction of Child Labor and Night Work for Women (Statute Book of 1925 No. 647);
3. Ordinance on Work of Children and Young People on Ship (Statute Book of 1926 No. 87);
4. Ordinance on Ordinance Regulating Activities to Search for Prospective Workers (Statute Book of 1936 No. 208);
5. Ordinance on Return Workers Accepted or Employed outside Indonesia (Statute Book of 1939 No. 545);
6. Ordinance on Restriction of Work of Children (Statute Book of 1949 No. 8);

(2) Law No. 1/1951 on statement of enforcement of Occupational Law No.12/1948 from Indonesia to all Indonesia (Statute Book of 1951 No. 2);

(3) Law No. 21/1954 on labor agreement between labor union and employer (Statute Book of 1954 No. 69, Supplement to Statute Book No. 598a);

(4) Law No. 3/1958 on placement of expatriates (Statute Book of 1958 No. 8);

(5) Law No. 8/1961 on compulsory work of university graduates (Statute Book of 1961 No. 207, Supplement to Statute Book No. 2270);

(6) Law No. 7 Pnps1963 on prevention of labor strike and/or lock out in vital companies, institutions and agencies (Statute Book of 1963 No. 67);

(7) Law No. 14/1969 on manpower basic provisions (Statute Book of 1969 No. 55, Supplement to Statute Book No. 2912);

- (8) Law No. 25/1997 on manpower affairs (Statute Book of 1997 No. 73, Supplement to Statute Book No. 3702);
- (9) Law No. 11/1998 on the change in the enforcement of Law No. 25/1997 on manpower affairs (Statute Book of 1998 No. 198, Supplement to Statute Book No. 3791);
- (10) Law No. 28/2000 on the stipulation of government regulation in lieu of Law No. 3/2000 on the amendment to Law No. 11/1998 concerning the change in the enforcement of Law No. 25/1997 regarding manpower affairs to become a law (Statute Book of 2000 No. 240, Supplement to Statute Book No. 4042);

Article 193

This Law shall come into force as from date of stipulation.

For public cognizance, this Law shall be promulgated by placing it in Statute Book of the Republic of Indonesia.

Ratified in Jakarta

On March 25, 2003

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Sgd.

MEGAWATI SOEKARNOPUTRI

Promulgated in Jakarta

On March 25, 2003

Sgd.

BAMBANG KESOWO

ELUCIDATION
ON LAW NO. 13/2003
CONCERNING
MANPOWER AFFAIRS

I. GENERAL

The manpower development as an integral part of the national development on the basis of state ideology Pancasila and the Constitution of 1945 is implemented in the framework of the development of Indonesian people as whole and the development of Indonesian society totally to enhance status, dignity and esteem of manpower as well as to realize a prosperous, just, wealthy and equitable society materially and spiritually.

The manpower development must be regulated accordingly so as to fulfill basic rights and protection of manpower and workers/labor as well as to realize a condition conducive to the development of business communities simultaneously.

The manpower development contains many dimensions and linkage. It is linked to not only interests of manpower during, before and after the working period but also interests of entrepreneurs, the government and society. For purpose, it needs a total and comprehensive regulation covering, among others, human resource development, enhancement of productivity and competitiveness of Indonesian manpower, efforts to expand job opportunities, manpower placement service and the fostering of industrial relations.

The fostering of industrial relations as part of the manpower development must be directed continuously to realize harmonious, dynamic and just industrial relations. For the purpose, recognition and appreciation of human rights as contained in Stipulation of the People's Consultative Assembly No. XVIII/MPR/1998 must be realized. In the manpower field, the stipulation constitutes the main pillar for upholding democracy in the workplace. The application of democracy in the workplace is executed to encourage optimal participation of all Indonesian manpower and workers/labor in building the expected state of Indonesia.

Since manpower regulations effective so far, including colonial products, place workers in a less beneficial position in manpower placement service and industrial

relations system in favor of the differences in status and interests, they are deemed no longer suitable to the current need and demands in the future.

The regulations are:

- Ordinance on Mobilization of Indonesian People to Undertake Jobs outside Indonesia (Statute Book of 1887 No. 8);
- Ordinance dated December 17, 1925 on Restriction of Child Labor and Night Work for Women (Statute Book of 1925 No. 647);
- Ordinance of 1926 on Work of Children and Young People on Ship (Statute Book of 1926 No. 87);
- Ordinance dated May 4, 1936 on Ordinance Regulating Activities to Search for Prospective Workers (Statute Book of 1936 No. 208);
- Ordinance on Return Workers Accepted or Employed outside Indonesia (Statute Book of 1939 No. 545);
- Ordinance No. 9/1949 on Restriction of Work of Children (Statute Book of 1949 No. 8);
- Law No. 1/1951 on statement of enforcement of Occupational Law No.12/1948 from Indonesia to all Indonesia (Statute Book of 1951 No. 2);
- Law No. 21/1954 on labor agreement between labor union and employer (Statute Book of 1954 No. 69, Supplement to Statute Book No. 598a);
- Law No. 3/1958 on placement of expatriates (Statute Book of 1958 No. 8);
- Law No. 8/1961 on compulsory work of university graduates (Statute Book of 1961 No. 207, Supplement to Statute Book No. 2270);
- Law No. 7 Pnps1963 on prevention of labor strike and/or lock out in vital companies, institutions and agencies (Statute Book of 1963 No. 67);
- Law No. 14/1969 on manpower basic provisions (Statute Book of 1969 No. 55, Supplement to Statute Book No. 2912);
- Law No. 25/1997 on manpower affairs (Statute Book of 1997 No. 73, Supplement to Statute Book No. 3702);
- Law No. 11/1998 on the change in the enforcement of Law No. 25/1997 on manpower affairs (Statute Book of 1998 No. 198, Supplement to Statute Book No. 3791);

- Law No. 28/2000 on the stipulation of government regulation in lieu of Law No. 3/2000 on the amendment to Law No. 11/1998 concerning the change in the enforcement of Law No. 25/1997 regarding manpower affairs to become a law (Statute Book of 2000 No. 240, Supplement to Statute Book No. 4042);

Besides revoking the provisions no longer suitable to demands and developments of the era, this law also aims at accommodating fundamental changes in all life aspects of Indonesian people, following the commencement of the reforms era in 1998.

In the international manpower field, respect to human rights in the workplace is known through 8 (eight) basic conventions of the International Labor Organizations (ILO). The basic conventions consist of 4 (four) groups, namely:

- Freedom of union (ILO Convention No. 87 and No. 98);
- Discrimination (ILO Convention No. 100 and 111);
- Forced Work (ILO Convention No. 29 and No. 105); and
- Child Protection (ILO Convention No. 138 and No. 182).

The commitment of Indonesia to appreciation of human rights in the workplace is realized by ratifying the eight basic conventions. In line with the ratification of the conventions on the human rights, this manpower law also must reflect compliance and respect to the seven basic principles.

This law contains, among others:

- Foundation, principle and objective of the manpower development;
- Manpower planning and information;
- Vocational training directed to enhance and develop skill and expertise of manpower for improving work and corporate productivity;
- Manpower placement service in the framework of enhancing efficiency of manpower optimally and placement of manpower in jobs according to humanitarian status and dignity as a kind of responsibility of the government and society for expanding job opportunities;
- The use of right expatriates according to necessary competence;
- The fostering of industrial relations according to values of Pancasila is directed to create harmonious, dynamic and just relations between actors of production;

- The fostering of institution and facilities of industrial relations, including collective working agreement, bipartite cooperation institution, tripartite cooperation institution, socialization of industrial relations and settlement of dispute over industrial relations;
- Protection of workers/labor, including protection of basic rights of workers/labor to negotiate with entrepreneurs, protection of occupational safety and health, special protection of female workers/labor, children and disabled persons as well as protection of wage, welfare, and manpower social insurance;
- Manpower supervision with a view that this manpower legislation is implemented accordingly.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

The manpower development is implemented in the framework of the development of Indonesian people as whole. In relation thereto, the manpower development is executed to realize prosperous, just, wealthy and equitable Indonesian people and society materially and spiritually.

Article 3

The principles of the manpower development are basically in accordance with the principles of the national development especially principles of Pancasila based democracy, as well as the principles of justice and equitable distribution. The manpower development consists of many dimensions and links to various parties, namely between the government, entrepreneurs and workers/labor. In relation thereto, the manpower development is implemented integrated in the form of mutually supporting cooperation.

Article 4

Letter a

The empowerment and enhancement of efficiency of manpower constitute an integrated activity to enable the provision of job opportunities as wide as possible for Indonesian manpower. The empowerment and enhancement are excepted to

enable Indonesian manpower to participate optimally in the national development, but continue upholding their humanitarian values.

Letter b

Efforts to distribute job opportunities equitably throughout the territory of the Unitary State of the Republic of Indonesia as a labor market must be made by providing equal opportunity to obtain jobs for all Indonesian manpower in accordance with their respective talent, interest and capability. Efforts to ensure the equitable distribution of manpower placement are also needed so as to be able to fill the need in all sectors and regions.

Letters c and d

Sufficiently clear

Article 5

Every manpower has equal right and opportunity to obtain adequate job and sustenance without differentiating sex, ethnic, race, religion and political ideology in accordance with the interest and capability of the said manpower, including equal treatment of disabled persons.

Article 6

Entrepreneurs must give rights and obligations of workers/labor without differentiating sex ethnic, race, religion, skin color and political ideology.

Article 7

Paragraph (1)

The government prepares and stipulates manpower planning through approaches of national, regional and sector manpower planning.

Paragraph (2)

Letter a

Macro manpower planning is systematic formulation of manpower plans containing efforts to enhance efficiency of manpower optimally and productively for supporting the economic and social growth nationally, regionally and sector so as to able to open job opportunities as wide as possible, increase work productivity, and welfare of workers/labor.

Letter b

Micro manpower planning is systematic formulation of manpower plans in an institution belonging to either the government or private in the framework of enhancing the efficiency of manpower optimally and productively to support the achievement of high productivity in the said institution or company.

Paragraph (3)

Sufficiently clear

Article 8

Paragraph (1)

Manpower information is gathered and processed in accordance with goals of formulation of national, provincial of regency/city manpower planning.

Paragraph (2)

In the framework of manpower development, private participation is expected to contribute manpower information. The definition of private covers companies, universities and non-governmental organizations in the central, provincial or regency/city levels.

Paragraph (3)

Sufficiently clear

Article 9

The enhancement of welfare means manpower welfare obtained because of the fulfillment of working competence through vocational training.

Article 10

Paragraph (1)

Sufficiently clear

Paragraph (2)

The minister stipulates standards of working competence by involving sectors concerned.

Paragraph (3)

Grades of vocational training in general consist of basic, skillful and expert levels.

Paragraph (4)

Sufficiently clear

Article 11

Sufficiently clear

Article 12

Paragraph (1)

Since users of skillful manpower are entrepreneurs, the entrepreneurs are responsible for organizing vocational training to enhance competence of their workers.

Paragraph (2)

The enhancement and/development of competence is/or compulsory for entrepreneurs because companies would obtain benefits from result of competence of workers/labor

Paragraph (3)

The implementation of vocational training is adjusted to the need and opportunity available at the companies to prevent it from affecting the corporate activities.

Article 13

Paragraph (1)

Private vocational training also includes corporate vocational training.

Paragraphs (2) and (3)

Sufficiently clear

Article 14

Paragraphs (1) and (2)

Sufficiently clear

Paragraph (3)

Registration of training activities executed by government institutions aims at obtaining information so that results of training, facilities and infrastructures of training can be effective and efficient optimally.

Paragraph (4)

Sufficiently clear

Article 15 up to Article 17

Sufficiently clear

Article 18

Paragraph (1)

Sufficiently clear

Paragraph (2)

Competence certification is a systematic and objective process of issuance of competence certificate through competence test referring to national and/or international competence standards.

Paragraph (3) up to Paragraph (5)

Sufficiently clear

Article 19

Sufficiently clear

Article 20

Paragraph (1)

The national vocational training system is the linkage and integration of vocational training substances, covering among others, participant, cost, infrastructures, training personnel, program and method as well as graduate. Through the national vocational training system, all elements and resources of the national vocational training in government and private owned institutions and companies can be utilized optimally.

Paragraph (2)

Sufficiently clear

Article 21

Sufficiently clear

Article 22

Paragraph (1)

Sufficiently clear

Paragraph (2)

Rights of apprenticeship participants are, among others, to obtain pocket money and/or transport money, to obtain manpower social insurance and to obtain certificate if they pass at the end of the program.

Rights of entrepreneurs entitle to, among others, working results/services of apprenticeship participants, recruit the participants as workers/labor if fulfilling requirements.

Obligations of apprenticeship participant, among others, obey apprenticeship agreement, follow procedures for apprenticeship program and internal rules of companies.

Entrepreneurs are obliged to, among others, provide pocket money and/or transport money for apprenticeship participants, training facilities, instructors and equipment of occupational safety and health.

The period of apprenticeship is varying in accordance with the period needed for achieving the competence standard in the apprenticeship training program.

Paragraph (3)

Having status as workers/labor in the said company, they entitle to everything regulated in corporate rule or collective working agreement.

Article 24 up to article 26

Sufficiently clear

Article 27

Paragraph (1)

Sufficiently clear

Paragraph (2)

The corporate interest as meant in this paragraph aims at guaranteeing the availability of skilled workers and experts at certain competence levels such as water specialist welder.

Public interests include the opening of opportunities for the society to utilize specific industries, such as crop cultivation technology of the membrane culture.

State interests include economization in foreign exchange so that the companies are obliged to undertake apprenticeship program, such as the expertise in manufacturing modern agricultural equipment.

Article 28 up to article 31

Sufficiently clear

Article 32

Paragraph (1)

Transparent means the provision of information clearly for job seekers, such as kinds of jobs, wage, and working hour. It aims at protecting workers/labor as well as avoiding dispute after the manpower is placed.

Free means that job seekers are free to choose jobs and employers are free to choose manpower that job seekers are not allowed to accept a job coercively and employers are prohibited from accepting manpower coercively.

Objective means that employers offer jobs suitable to job seekers in accordance with their capabilities and functional requirements needed as well as must observe public interests without siding with interests of certain parties.

Fair equivalent means that manpower is placed on the basis of capability of manpower, instead of race, sex, skin color and political ideology.

Paragraph (2)

Sufficiently clear

Paragraph (3)

Efforts to ensure the equitable distribution of job opportunities must be made throughout the territory of the Republic of Indonesia as an integrated unit of national labor market by providing equal opportunity for all manpower to obtain jobs according to their talents, interests and capabilities. The equitable distribution of job opportunities is also needed so as to be able to fill the need for manpower in all sectors and regions.

Article 33

Sufficiently clear

Article 34

Before the law on overseas manpower placement is promulgated, all legislation regulating overseas manpower placement remains effective.

Article 35

Paragraph (1)

Employers are employers in the country.

Paragraphs (2) and (3)

Sufficiently clear

Article 36

Sufficiently clear

Article 37

Paragraph (1)

Letter a

Government institutions responsible for manpower affairs in the central and regional levels as stipulated in accordance with the provisions of laws in force.

Letter b

Sufficiently clear

Paragraph (2)

Sufficiently clear

Article 38 up to article 40

Sufficiently clear

Article 41

Since the expansion of job opportunities is an inter-sector effort, a national must be formulated in all sectors so as to be able to absorb manpower optimally. In order to ensure the smooth implementation of the national policy, the government and communities supervise it coordinative.

Article 42

Paragraph (1)

The license to use expatriates is needed for ensuring the selective recruitment of expatriates in the framework of enhancement of efficiency of Indonesian manpower optimally.

Paragraph (2) up to paragraph (6)

Sufficiently clear

Article 43

Paragraph (1)

The plan for using expatriates constitutes a requirement for securing working permit (IKTA).

Paragraph (2)

Sufficiently clear

Paragraph (3)

The international agencies as meant in this paragraph are international non-profit organizations, such as institutions subordinate to the United Nations, among others, ILO, WHO, or UNICEF.

Paragraph (4)

Sufficiently clear

Article 44

Paragraph (1)

The competence standard means qualifications that expatriates must have, such as knowledge, expertise, skill in certain field and understanding of Indonesian culture.

Paragraph (2)

Sufficiently clear

Article 45

Paragraph (1)

Letter a

Expatriate counterparts do not replace or assume position of the expatriates that they accompany automatically. The accompanying is more emphasized on the transfer of technology and expertise for enabling the counterparts to have capability so that they replace the accompanied expatriates sometime.

Letter b

Vocational education and training by the employer can be executed in the country or by means of sending Indonesian manpower to other countries.

Paragraph (2)

Sufficiently clear

Article 46

Sufficiently clear

Article 47

Paragraph (1)

The obligation to pay compensation aims at supporting efforts to enhance the quality of Indonesian human resources.

Paragraph (2) up to paragraph (4)

Sufficiently clear

Article 48 up to article 50

Sufficiently clear

Article 51

Paragraph (1)

Principally, a working agreement is made in writing, but in view of the varying social conditions, it's also possible to make working agreement verbally.

Paragraph (2)

Working agreement required in writing must be in accordance with legislation in force, among others, working agreement for a specified period, inter-region manpower placement, inter-state manpower placement and sea work agreement.

Article 52

Paragraph (1)

Letter a

Sufficiently clear

Letter b

The capacity or capability means parties able or capable legally to make an agreement. In the case of child labor, the agreement is signed by parent or custodian.

Letter c and d

Sufficiently clear

Paragraphs (2) and (3)

Sufficiently clear

Article 53

Sufficiently clear

Article 54

Paragraph (1)

Sufficiently clear

Paragraph (2)

Not contravening this paragraph means that in the case of corporate rule or collective working agreement already existing in the company, the content of the working agreement cannot be lower qualitatively and quantitatively than the corporate rule or collective working agreement in the said company.

Paragraph (3)

Sufficiently clear

Article 55 up to article 58

Sufficiently clear

Article 59

Paragraph (1)

The working agreement as meant in this paragraph is registered to the institution in charge of manpower affairs.

Paragraph (2)

The permanent job as meant in this paragraph is a job which is continuous, not intermittent, not restricted by time and constitutes part of production in a company or non-seasonal job.

The non-seasonal job is a job not dependent on certain weather or condition, If the job constitutes work continuous, not intermittent, not restricted by time and part of production but dependent on weather or the job is needed because of a certain condition, the said job constitutes seasonal job excluding from permanent job so as to be able to become an object of working agreement for a specified period.

Paragraph (3) up to paragraph (8)

Sufficiently clear

Article 60

Paragraph (1)

Requirements for passing a probation period must be mentioned in the working agreement. In the case of the working agreement being made verbally, requirements for passing the probation period must be notified to the relevant workers and mentioned in the letter of appointment. Unless they are mentioned in the working agreement or letter of appointment, provisions on the probation period are deemed not existent.

Paragraph (2)

Sufficiently clear

Article 61

Paragraph (1)

Letter a up to letter c

Sufficiently clear

Letter d

Certain conditions or incidents include natural disaster, social unrest or security disturbance.

Paragraph (2) up to paragraph (4)

Sufficiently clear

Paragraph (5)

The rights according to legislation in force or rights already regulated in the working agreement, corporate rule or collective working agreement are rights, which must be granted better and more beneficial to the said workers/labor.

Article 62 up to article 65

Sufficiently clear

Article 66

Paragraph (1)

In jobs connected with core business activities or activities directly connected with production, entrepreneurs are only allowed to employ workers/labor by working agreement for a specified period and/or working agreement for unspecified period.

Supporting service or activities not connected directly with production is activities related to outside of core business of a company.

The activities include cleaning service, catering service, security service, supporting service in the mining and oil sector as well as provision of transport service for workers/labor.

Paragraph (2)

Letters a and b

Sufficiently clear

Letter c

Wage and welfare protection, working conditions and settlement of dispute between providers of manpower service and workers/labor must be in accordance with the legislation in force.

Workers/labor in companies providing workers/labor service obtain the same right in accordance with the working agreement on wage and welfare protection, working conditions as well as disputes arising from other workers/labor in the company using workers/labor service.

Letter d

Sufficiently clear

Paragraphs (3) and (4)

Sufficiently clear

Article 67

Paragraph (1)

The protection as meant in this paragraph includes provision of accessibility, working instruments and protecting equipment according to the kind and degree of their disability.

Paragraph (2)

Sufficiently clear

Article 68 up to article 70

Sufficiently clear

Article 71

Paragraph (1)

The provision in this paragraph aims at protecting child so that the growth of talents and interests generally coming at the age is not disturbed.

Paragraphs (2) and (3)

Sufficiently clear

Article 72 up to article 74

Sufficiently clear

Article 75

Paragraph (1)

The settlement of children working outside working relations aims at abolishing or reducing children working outside working relations. The efforts must be concerted, integrated, coordinated with institutions concerned.

Children working outside working agreement relations include children polishing shoe or sellers of newspaper.

Paragraph (2)

Sufficiently clear

Article 76

Paragraph (1)

The responsibility for the violation is entrepreneurs. In the case of the female workers/labor as meant in this paragraph being employed between 23.00 – 07.00, the responsible for the violation is entrepreneurs.

Paragraph (2) up to paragraph (5)

Sufficiently clear

Article 77

Paragraphs (1) and (2)

Sufficiently clear

Paragraph (3)

Certain business sectors or jobs in this paragraph include work in the offshore oil drilling, long-distance driver, long-distance flight, work on ships (sea) or forest felling.

Paragraph (4)

Sufficiently clear

Article 78

Paragraph (1)

Efforts must be made optimally to avoid employment exceeding the working period because workers/labor must have sufficient time to take rest and restore the fitness. Yet, in certain cases containing the urgent need, which must be completed soon and cannot be avoided, workers/labor must work exceeding the working period.

Paragraph (2) up to paragraph (4)

Sufficiently clear

Article 79

Paragraph (1)

Sufficiently clear

Paragraph (2)

Letter a up to letter c

Sufficiently clear

Letter d

Upon performing long-term rest, workers/labor are given compensation for annual rest right of the eight year amounting to a half of the monthly salary and companies already enforcing long-term rest better than the provisions in this law cannot reduce the existing provisions.

Paragraph (3) up to paragraph (5)

Sufficiently clear

Article 80

Ample opportunity means the provision of place for performing worship enabling workers/labor to perform the worship properly, in accordance with the condition and capability of companies.

Article 81

Sufficiently clear

Article 82

Paragraph (1)

The rest period can be extended on the basis of certificate of specialist doctor or nurse before or after giving birth.

Paragraph (2)

Sufficiently clear

Article 83

Adequate opportunity in this article means the period provided for female workers/labor to give suck to their baby by observing the availability of place according to the corporate condition and capability, which is regulated in the corporate rule or collective working agreement.

Article 84

Sufficiently clear

Article 85

Paragraph (1)

Sufficiently clear

Paragraph (2)

The provision in this paragraph aims at serving public interests and welfare, besides jobs impossible to discontinue because of their characteristics and kinds.

Paragraphs (3) and (4)

Sufficiently clear

Article 86

Paragraph (1)

Sufficiently clear

Paragraph (2)

Occupational safety and health efforts aim at providing safety guarantee and enhancing the degree of health of workers/labor by means of preventing accidents and diseases arising from the work, controlling danger in the workplace, promoting health, treatment and rehabilitation.

Paragraph (3)

Sufficiently clear

Article 87

Paragraph (1)

The occupational safety and health management system is part of the comprehensive corporate management system covering the organizational structure, planning implementation, responsibility, procedure, process and resources needed for developing the application, accomplishment, assessment and maintenance of occupational safety and health policies in the framework of controlling risks related to working activities for creating the safe, efficient and productive workplace.

Paragraph (2)

Sufficiently clear

Article 88

Paragraph (1)

Income fulfilling adequate sustenance is the amount of revenue or income of workers/labor from results of their jobs so as to be able to meet the life need of workers/labor and their families reasonably, covering food and drink, cloth, housing, education, health, recreation and old-age insurance.

Paragraph (2) up to paragraph (4)

Sufficiently clear

Article 89

Paragraph (1)

Letter a

Sufficiently clear

Letter b

The sector minimum wage can be stipulated for groups of business fields as well as the division by classifications of Indonesia business fields for regency/city, province, provinces or nationality and cannot be lower than the regional minimum wage of the relevant region.

Paragraph (2)

Directed to achieve the adequate life need in this paragraph means that the stipulation of minimum wage must be adjusted to accomplishment of ratio of the minimum wage to the adequate life need, whose indicators are stipulated by the minister.

Paragraph (3)

Sufficiently clear

Paragraph (4)

The accomplishment of the adequate life necessity needs to be realized in phases because the adequate life necessity constitutes the enhancement of the minimum life need heavily dependent on capability of business communities.

Article 90

Paragraph (1)

Sufficiently clear

Paragraph (2)

The postponement of application of the minimum wage to incapable companies aims at exempting the companies from executing the minimum wage in force for a specified period. If the postponement ends, the companies are obliged to apply the prevailing minimum wage but they are not obliged to pay the fulfillment of provisions on the minimum wage effective when the postponement is granted.

Paragraph (3)

Sufficiently clear

Article 91

Sufficiently clear

Article 92

Paragraph (1)

The wage structure and scale are formulated as guidelines on stipulation of wage so as to provide certainty for every workers/labor as well as to reduce the gap between the lowest wage and highest wage in companies.

Paragraph (2)

The wage is reviewed for adjusting to the price of life need, working achievement, growth and capability of companies.

Paragraph (3)

Sufficiently clear

Article 93

Paragraph (1)

This provision constitutes a principle basically effective for all workers/labor unless the workers/labor are unable to execute jobs due to mistakes of other parties.

Paragraph (2)

Letter a

Sick workers/labor means ill workers/labor according to information of doctor.

Letters b and c

Sufficiently clear

Letter d

Performing obligations to the state means the implementation of state obligations already regulated by legislation.

The wage is paid to workers/labor performing obligations to the state if:

- a. The state does not pay; or
- b. The state pays lower than the wage usually received by workers/labor, in this case, entrepreneurs are obliged to pay the shortage.

Letter e

Performing worship obligations in accordance with their religion means the implementation of worship obligations according to their religions already regulated by legislation.

Letter f up to i

Sufficiently clear

Paragraph (3) up to paragraph (5)

Sufficiently clear

Article 94

Fixed allowance in this article means the payment given to workers/labor regularly and not linked to the presence of workers/labor or accomplishment of certain workers/labor achievement.

Article 95

Paragraphs (1) up to paragraph (3)

Sufficiently clear

Paragraph (4)

Payment in advance means that the wage of workers/labor is paid firstly, rather than other liabilities.

Article 96 up to article 99

Sufficiently clear

Article 100

Paragraph (1)

Welfare facilities include family planning service, child depositing place, workers/labor's housing, worship facilities, sport facilities, cafeteria, medical and recreational facilities.

Paragraphs (2) and (3)

Sufficiently clear

Article 101

Paragraph (1)

Productive businesses in companies are economic activities producing income outside the wage.

Paragraph (2) up to paragraph (4)

Sufficiently clear

Articles 102 and 103

Sufficiently clear

Article 104

Paragraph (1)

The freedom to set up, become and not become members of workers/labor union constitutes a basic right of workers/labor.

Paragraphs (2) and (3)

Sufficiently clear

Article 105

Sufficiently clear

Article 106

Paragraph (1)

In companies employing less than 50 (fifty) workers/labor, individual communications and consultation still can be executed properly and effectively. In companies having 50 (fifty) workers/labor or more, communications and consultation need to be executed through a representative system.

Paragraph (2) up to paragraph (4)

Sufficiently clear

Article 107 up to article 110

Sufficiently clear

Article 111

Paragraph (1)

Sufficiently clear

Letters a and b

Sufficiently clear

Letter c

Working conditions are rights and obligations of entrepreneurs and workers/labor not yet regulated in laws in force.

Letters d and e

Sufficiently clear

Paragraph (2)

Not contravening the provisions in laws in force means that the corporate rule cannot be lower qualitatively and quantitatively than the laws in force and in the case of contradiction, the provisions in the laws in force are effective.

Paragraph (3) up paragraph (5)

Sufficiently clear

Articles 112 and 113

Sufficiently clear

Article 114

Notification is executed by means of distributing copies of the corporate rule to every workers/labor, affixing them at place easy to read by workers/labor or providing direct explanation for workers/labor.

Article 115

Sufficiently clear

Article 116

Paragraph (1)

Sufficiently clear

Paragraph (2)

Collective working agreement must be made on the basis of goodwill, meaning that parties are honest, transparent and voluntary/conscious without pressure from one party to another.

Paragraph (3)

In the case of the collective working agreement being made in the Indonesian language and translated into other languages, the collective working agreement in the Indonesian language is effective if different interpretations come.

Paragraph (4)

Sufficiently clear

Article 117

The settlement through procedures for settling industrial relations disputes can be done through the industrial relations dispute settlement institution.

Article 118 up to article 123

Sufficiently clear

Article 124

Paragraph (1)

Sufficiently clear

Paragraph (2)

Not contravening the provisions in laws in force means that the contents of the collective working agreement cannot be lower qualitatively and quantitatively than the laws in force.

Paragraph (3)

Sufficiently clear

Article 125 up to article 136

Sufficiently clear

Article 137

The failure of negotiation in this article means the failure to reach an agreement on the settlement of industrial relations dispute that can arise because entrepreneurs hesitate to negotiate or the negotiation faces deadlock.

Orderly and peaceful means that the activity does not disturb public security and order and/or threat safety of people and assets of companies or entrepreneurs or other people or public property.

Article 138

Sufficiently clear

Article 139

Companies serving public interests and/or companies having activities endangering security of human lives are hospitals, fire distinguishing service, guardian of railway intersection gate, controller or water channel, air traffic controllers and sea traffic controllers.

Labor strike regulated accordingly means labor strike executed by workers/labor not in service

Article 140

Paragraph (1)

Sufficiently clear

Paragraph (2)

Letter a

Sufficiently clear

Letter b

Places of labor strike are places stipulated personnel responsible for the labor strike not preventing other workers/labor from working.

Letters c and d

Sufficiently clear

Paragraphs (3) and (4)

Sufficiently clear

Articles 141 and 142

Sufficiently clear

Paragraph (1)

Preventing in this paragraph means, among others:

- a. Imposition of punishment;
- b. Intimidation in whatever form;
- c. Harmful tour of duty

Paragraph (2)

Sufficiently clear

Article 144

Sufficiently clear

Article 145

Violating normative right seriously means that the entrepreneurs are not ready decidedly to fulfill their obligations as meant and/or stipulated in working agreements, corporate rules, collective working agreements or manpower legislation, even though official in charge of manpower affairs has stipulated and ordered.

The payment of wage of workers/labor during labor strike in this article does not abolish the provision on the imposition of sanctions on entrepreneurs violating normative provisions.

Article 146

Paragraphs (1) and (2)

Sufficiently clear

Paragraph (3)

In the case of lock out being executed illegitimately or as counter action against legitimate strike for normative demand, entrepreneurs are obliged to pay wage of workers/labor

Article 147 up to article 150

Sufficiently clear

Article 151

Paragraph (1)

All efforts in this paragraph mean that positive activities which finally can avoid termination of working relations, among others, regulation of working hour, economize, improvement of working method and fostering of workers/labor.

Paragraphs (2) and (3)

Sufficiently clear

Article 160

Paragraph (1)

Workers/labor families being dependents are wife/husband, child or people legitimately becoming dependents of la on the basis of workers/labor agreement, corporate rule or collective working agreement.

Paragraphs (2) up to paragraph (7)

Sufficiently clear

Article 161

Paragraph (1)

Sufficiently clear

Paragraph (2)

The respective warnings can be issued in sequence or not, according to the provisions in working agreements or corporate rule or collective working agreement.

In the case of the warnings being issued in sequence, the first warnings is effective for 6 (six) months. In the case of workers/labor violating again provisions in the working agreement or corporate rule or collective working agreement in the six month period, entrepreneurs can issue the second warning, also effective for 6 (six) months as from the date of issuance of the second warning.

In the case of workers/labor still violating provisions in the working agreement or corporate rule or collective working agreement, entrepreneurs can issue the third warning effective for 6 (six) months as from the date of issuance of the third warning.

If workers/labor violate again the working agreement or corporate rule or collective working period in the validity period of the third warning, entrepreneurs can terminate working relations.

In the case of the six month period as from the date of issuance of the first warning already elapsing, and the relevant workers/labor violating again provisions in the working agreement or corporate rule or collective working agreement, the warning issued by entrepreneurs functions as the first warning again, and so the second and third warnings.

The working agreement or corporate rule or collective working agreement can contain certain violations which can be given the first and last warnings. In the case of workers/labor violating the working agreement or corporate rule or

collective working agreement in the validity period of the first and last warnings, entrepreneurs can terminate working relations.

The six month period is stipulated as efforts to educate workers/labor so as to be able to correct their mistakes and on the other side, the six month period constitute a period sufficient for entrepreneurs to evaluate the performance of the said workers/labor.

Paragraph (3)

Sufficiently clear

Article 162 up to article 166

Sufficiently clear

Article 167

Paragraphs (1) and (2)

Sufficiently clear

Paragraph (3)

Examples of this provision are:

- If the amount of severance pay that workers/labor should receive is RP 10,000,000.00 (ten million rupiahs) and pension contribution according to the pension program is Ro 6,000,000.00 (six million rupiahs) as well as the pension program stipulates that pension premium entrepreneur should pay is 60% (sixty) percent and the remaining 40% (forty percent) is paid workers/labor;
- The result of premium already paid by entrepreneurs is calculated: $60\% \times \text{Rp. } 6,000,000.00 = \text{Rp. } 3,600,000.00$
- The amount of issuance yet to be paid by entrepreneurs is $40\% \times \text{Rp. } 6,000,000.00 = \text{Rp. } 2,400,000.00$
- The shortage yet to be paid by entrepreneurs is $\text{Rp. } 10,000,000.00 - \text{Rp. } 3,600,000.00 = \text{Rp. } 6,400,000.00$
- The amount money that workers/labor receive upon termination working relations because of the mandatory retirement age is:
- Rp. 3,960,000.00 (insurance from pension program organizer whose premium is paid by entrepreneurs as high as 60%).

- Rp. 6,400,000.00 (originating from the shortage of severance paid which must be paid by entrepreneurs).
- Rp. 2,400,000.00 (insurance from pension program organizer whose premium is paid by workers as high as 40%).
- The total is Rp. 12,000,000.00 (twelve million rupiahs).

Paragraph (4) up to paragraph (6)

Sufficiently clear

Article 168

Paragraph (1)

Being summoned according means that workers/labor have been summoned in writing, destined to address of workers/labor registered at companies on the basis of report of workers/labor. The interval between the first and second summons is 3 (three) working days at the minimum.

Paragraphs (2) and (3)

Sufficiently clear

Articles 169 and 170

Sufficiently clear

Article 171

The one-year period is deemed a period sufficient to submit lawsuit.

Article 172

Sufficiently clear

Article 173

Paragraph (1)

The fostering means effective and efficient activities to obtain better results for enhancing and developing all activities related to manpower affairs.

Paragraph (2)

Sufficiently clear

Paragraph (3)

The executor of coordination in this paragraph is the institution in charge of manpower affairs.

Articles 174 and 175

Sufficiently clear

Article 176

Independent means that other parties in making a decision do not influence supervisors.

Article 177 up to article 190

Sufficiently clear

Article 191

Technical regulations on manpower as meant in this article technical directives for various kinds of manpower legislation, which has been revoked and has remained in force. In the case of the technical regulations being not revoked or replaced yet on the basis of this law, in order to prevent the vacancy of law, this article is still enforced as long as they do not contravene this law.

In the case of manpower incident or case occurring before the enforcement of this law and being settled in the industrial relations dispute settlement institution, pursuant to the principle of legality, the incident or case is settled on the basis of technical regulations existing before the promulgation of this law.

Article 192 and 193

Sufficiently clear