ACT OF THE REPUBLIC OF INDONESIA
NUMBER 13 YEAR 2003

CONCERNING

MANPOWER

WITH THE GRACE OF GOD THE ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : a. That Indonesia's national development shall be implemented within the framework of building Indonesians as fully-integrated human beings and of building the whole Indonesian society in order to realize a society in which there shall be welfare, justice and prosperity based on equity both materially and spiritually with the Pancasila and the 1945 Constitution at its foundation.

b. That in the implementation of national development, workers have a very important role and position as actors of development as well as the goal of development it self;

c. That in accordance with the role and position of workers, manpower development is required to enhance the quality of workers as well as their role and participation in national development and in improving protection for workers and their families in respect to human dignity and values;

d. That protection of workers is intended tosafeguard the fundamental rights of workers and to secure the implementation of equal opportunity and equal treatment without discrimination on whatever basis in order to realize the welfare of workers/ labourers and their family by continuing to observe the development of progress made by the world of business;

e. That several acts on manpower are considered no longer relevant to the need and demand of manpower development and hence, need to be abolished and/or revoked;

f. That based on the considerations as mentioned under points a, b, c, d and e, it is necessary to establish an Act concerning Manpower.

In view of : Article 5 Subsection (1), Article 20 Subsection (2), Article 27 Subsection (2), Article 28 and Article 33 Subsection (1) of the 1945 Constitution.

By the joint approval between

THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

AND

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

DECIDE :

To stipulate : ACT CONCERNING MANPOWER AFFAIRS

CHAPTER I
GENERAL PROVISIONS

ARTICLE 1

Under this act, the following definitions shall apply :

1. Manpower affairs are referring to every matter that is related to people who are needed or available for a job before, during and after their employment.
2. Manpower is every individual or person who is able to work in order to produce goods and/ or services either to fulfill his or her own needs or to fulfill the needs of the society.
3. A worker/labourer are any person who works and receives wages or other forms of remuneration.
4. An employer is individual, entrepreneur, legal entities, or other entity that employ manpower by paying them wages or other forms of remuneration.
5. An entrepreneur is:
    a. An individual, a partnership or a legal entity that operates a self-owned enterprise;
    b. An individual, a partnership or a legal entity that independently operates a non-self-owned enterprise;
    c. An individual, a partnership or a legal entity located in Indonesia and representing an enterprise as mentioned under point a and point b that is domiciled outside the territory of Indonesia.
6. An enterprise is:
    a. Every form of business, which is either a legal entity or not, which is owned by an individual, a partnership or a legal entity that is either privately owned or state owned, which employs workers/ labourers by paying them wages or other forms of remuneration;

b. Social undertakings and other undertakings with officials in charge and which employ people by paying the wages or other forms of remuneration.

7. Manpower planning is the process of making a manpower plan systematically that is used as a basis and reference for formulating the policy, strategy and implementation of a sustainable manpower development program.

8. Manpower information is a group, a set or series and an analysis of data in the form of processed numbers, texts and documents that have specific meanings, values and messages concerning labour.

9. Job training is the whole activities of providing workers or potential workers with, and paving the way for them to acquire, enhance and develop job competence, productivity, discipline, work attitude and ethics until a desired level of skills and expertise that match the grade and qualifications required for a position or a job is reached.

10. Job competence or competency is the capability of each individual that covers aspects of knowledge, skills and work attitude which accords with prescribed standards.

11. Apprenticeship is a part of a job training system that integrates training at a training institute with working directly under the tutelage and supervision of an instructor or a more experienced worker/ labourer in the process of producing goods and/ or services in an enterprise in order to master a certain skill or trade.

12. Job placement service is an activity aimed at matching up manpower with employers so that manpower get jobs that are suitable to their talents, interest and capability and employers get the manpower they need.

13. Foreign worker is a visa holder of foreign citizenship with the intention to work in Indonesia's territory.

14. Work agreement is an agreement made between a worker/ labourer and an entrepreneur or an employer that specifies work requirements, rights and obligations of the parties.

15. An employment relation is a relationship between an entrepreneur and a worker/ labourer based on a work agreement, which contains the elements of job, wages and work order.

16. Industrial relations is a system of relations that is formed among actors in the process of producing goods and/or services, which consist of employers, workers/ labourers and the government, which is based on the values of the Pancasila and the 1945 Constitution of the Republic of Indonesia.

17. A trade union/labour union is an organization that is formed from, by and for workers/labourers either within an enterprise or outside of an enterprise, which is free, open, independent, democratic, and responsible in order to strive for, defend and protect the rights and interests of the worker/ labourer and increase the welfare of the worker/ labourer and their families.

18. A bipartite cooperation institution is a communication and consultation forum on matters pertaining to industrial relations in an enterprise whose members consist of entrepreneurs and trade/labour unions that have been registered at a government agency responsible for manpower affairs or workers/labourers' representatives.

19. A tripartite cooperation institute is a communication, consultation and deliberation forum on manpower issues (problems) whose members consist of representatives from entrepreneurs' organizations, workers/labourers' organizations and the government.

20. Company regulations is a set of rules and regulations made in writing by an entrepreneur that specifies work requirements and the enterprise's discipline and rule of conduct.

21. A collective labour agreement is an agreement resulted from negotiations between a trade/labour union or several trade/ labour unions registered at a government agency responsible for manpower affairs and an entrepreneur or several entrepreneurs or an association of entrepreneurs that specifies work requirements, rights and obligations of the parties.

22. An industrial relations dispute is a difference of opinion that results in a conflict between an entrepreneur or an association of entrepreneurs and a worker/labourer or a trade/labour union because of dispute over rights, interests and termination of employment and dispute between a trade/labour union and another trade/labour union in the same enterprise.

23. A strike is a collective action of workers/labourers, which is planned and carried out by a trade/labour union to stop or slower work.

24. A lockout is the entrepreneur's action of refusing the worker/labourer in whole or in part to perform work.

25. The termination of an employment relationship is termination of employment relationship because of a certain thing that results in the coming of an end of the rights and obligations of the worker/ labourer and the entrepreneur.

26. A child is every person who is under 18 (eighteen) years old.

27. Day is a period of time between 6am to 6pm.

28. One (1) day is a period of time of 24 (twenty four) hours.

29. A week is a period of 7 (seven) days.

30. A wage is the right of the worker/ labourer that is received and expressed in the form of money as remuneration from the entrepreneur or the employer to workers/ labourer, whose amount is determined and paid according to a work agreement, consensus, or laws and regulations, including allowances for the worker/ labourer and their family for a job and or service that has been performed or will be performed.

31. Workers/ labourers' welfare is a fulfillment of physical and spiritual needs and/or necessities [of the worker either within or outside of employment relationships that may directly or indirectly enhance work productivity in a working environment that is safe and healthy.

32. Labour inspection is the activity of controlling and enforcing the implementation of laws and regulations in the field of manpower.

33. Minister is the minister responsible for manpower affairs.

CHAPTER II
STATUTORY BASIC, BASIC PRINCIPLES AND OBJECTIVE

ARTICLE 2

Manpower development shall have the Pancasila and the 1945 Constitution as its statutory basis.

ARTICLE 3

Manpower development shall be carried out based on the basic principle of integration through functional, cross- sector, central, and provincial/municipal coordination.

ARTICLE 4

Manpower development aims at :

a. Empowering and making efficient use of manpower optimally and humanely;

b. Creating equal opportunity and providing manpower (supply of manpower) that suits the need of national and provincial/ municipal developments;
c. Providing protection to manpower for the realization of welfare; and
d. Improving the welfare of manpower and their family.

CHAPTER III
EQUAL OPPUTUNIES

ARTICLE 5

Any manpower shall have the same opportunity to get a job without discrimination.

ARTICLE 6

Every worker/ labourer has the right to receive equal treatment without discrimination from their employer.

CHAPTER IV
MANPOWER PLANNING AND MANPOWER INFORMATION

ARTICLE 7

(1) For the sake of manpower development, the government shall establish manpower policy and develop manpower planning.

(2) Manpower planning shall include:

a. Macro manpower planning; and
b. Micro manpower planning.

(3) In formulating policies, strategies, and implementation of sustainable manpower development program, the government must use the manpower planning as mentioned under subsection (1) as guidelines.

ARTICLE 8

(1) Manpower planning shall be developed on the basis of manpower information, which, among others, includes information concerning:
a. Population and manpower;
b. Employment opportunity;
c. Job training including job competence;
d. Workers' productivity;
e. Industrial relations;
f. Working environment condition;
g. Wages system and workers' welfare; and
h. Social security for the employed.

(2) The manpower information as mentioned under subsection (1) shall be obtained from all related parties, including from government and private agencies.

(3) Provisions concerning procedures for acquiring manpower information as well as procedures for the formulation and implementation of manpower planning as mentioned under subsection (1) shall be regulated with a Government Regulation.

CHAPTER V
JOB TRAINING

ARTICLE 9

Job training is provided and directed to instill, enhance, and develop job competence in order to improve ability, productivity and welfare.

ARTICLE 10

(1) Job training shall be carried out by taking into account the need of the job market and the need of the business community, either within or outside the scope ofemployment relations.
Job training shall be provided on the basis of training programs that refer to job competence standards.

(2) Job training may be administered step by step.

(3) Provisions concerning procedures for establishing job competence standards as mentioned under subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 11

Manpower has the right to acquire and/or improve and/ or develop job competence that is suitable to their talents, interest and capability through job training.

ARTICLE 12

(1) Entrepreneurs are responsible for improving and or developing their workers' competence through job training. Entrepreneurs who have meet the requirements stipulated with a Ministerial Decision are under an obligation to improve and or develop the competence of their workers as mentioned under subsection (1).

(2) Every worker/ labourer shall have equal opportunity to take part in a job training that is relevant to their field of duty.

ARTICLE 13

(1) Job training shall be provided by government job-training institutes and/or private job-training institutes.

(2) Job training may be provided in a training place or in the workplace.

(3) In providing job training, government job-training institutes as mentioned under subsection (1) may work together with the private sector.

ARTICLE 14

(1) A private job-training institute can take the form of an Indonesian legal entity or individual proprietorship.
(2) Private job-training institutes as mentioned under subsection (1) are under an obligation to have a permit or register with the agency responsible for manpower affairs in the local district/city.

(3) A job-training institute run by a government agency shall register its activities at the government agency responsible for manpower affairs in the local district/city.

(4) Provisions concerning procedures for acquiring a permit from the authorities and registration procedures for job training institutes as mentioned under subsection (2) and subsection (3) shall be regulated with a Ministerial Decision.

ARTICLE 15

Job training providers are under an obligation to make sure that the following requirements are met:

a. The availability of trainers;
b. The availability of a curriculum that is suitable to the level of job training to be given;
c. The availability of structures and infrastructure for job training; and
d. The availability of fund for the perpetuation of the activity of providing job training.

ARTICLE 16

(1) Licensed private job training institutes and registered government-sponsored job training institutes may obtain accreditation from accrediting agencies.

(2) The accrediting agencies as mentioned under subsection (1) shall be independent, consisting of community and government constituents, and shall be established with a Ministerial Decision.

(3) The organization and procedures of work of the accrediting agencies as mentioned under subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 17

(1) The government agency responsible for labour/ manpower affairs in a district/ city may temporarily terminate activities associated with the organization and administration of a job training in the district/ city if it turns out that the implementation of the job training:

a. Is not in accordance with the job training directions as mentioned under Article 9; and/or
b. Does not fulfill the requirements as mentioned un.

(2) The temporary termination of activities associated with the organization and administration of job training as mentioned under subsection (1) shall be accompanied with the reasons for the temporary termination and suggestions for corrective actions and shall apply for no longer than 6 (six) months.

(3) The temporary termination of the implementation of the administration of job training only applies to training programs that do not fulfill the requirements as specified under Article 9 and Article 15.

(4) Job training providers who, within a period of 6 months, do not fulfill and complete the suggested corrective actions as mentioned under subsection (2) shall be subjected to a sanction that rules the termination of their training programs.

(5) Job training providers who do not obey and continue to carry out the training programs that have been ordered for termination as mentioned under subsection (4) shall be subjected to a sanction that revokes their licenses and cancels their registrations as job training providers.

(6) Provisions concerning procedures for temporary termination, termination, revocation of license, and cancellation of registration shall be regulated with a Ministerial Decision.

ARTICLE 18

(1) Manpower shall be entitled to receive job competence recognition after participating in job training provided by government job training institutes, private job training institutes, or after participating in job training in the workplace.

(2) The job competence recognition as mentioned under subsection (1) shall be made through job competence certification.

(3) Manpower with experience in the job may, despite their experience, take part in the job training as mentioned under subsection (1) in order to obtain job competence certification as mentioned under subsection (2).

(4) To provide job competence certification, independent profession-based certification agencies shall be established.

(5) Provisions concerning the procedures for the establishment of certification agencies as mentioned under subsection (4) shall be regulated with a Presidential Decision.

ARTICLE 19

The provision of job training to people with disability who are available for a job shall take into account the type and severity of the disability and their ability.

ARTICLE 20

(1) To support the improvement of job training for the sake of manpower development, a national job-training system that serves as a reference for the administration of job training in all fields of work and/or all sectors shall be developed.

(2) Provisions concerning the form, mechanism and institutional arrangements of the national job-training system as mentioned under subsection (1) shall be regulated with a Government Regulation.

ARTICLE 21

Job training may be administered by means of apprenticeship systems.

ARTICLE 22

(1) Apprenticeship shall be carried out based on an apprenticeship agreement made in writing between the apprenticeship participant and the entrepreneur.

(2) The apprenticeship agreement as mentioned under subsection (1) shall at least have stipulations explaining the rights and obligations of both the participant and the entrepreneur as well as the period of apprenticeship.

(3) Any apprenticeship administered without an apprenticeship agreement as mentioned under subsection (2) shall be declared illegal and as a consequence, the status of the apprenticeship's participants shall change to be the workers/ labourers of the enterprise.

ARTICLE 23

Manpower that has completed an apprenticeship program is entitled to get their job competence and qualifications recognized by enterprises or by certification agency.

ARTICLE 24

Apprenticeship can take place within the enterprise or at the place where job training is organized, or at another enterprise, within or outside of the Indonesia's territory.

ARTICLE 25

(1) The apprenticeship which is conducted outside of Indonesia's territory must obtain a license from Minister or the appointed official.

(2) In order to obtain the license as mentioned under subsection (1), the organizer of the apprenticeship must be in the form of an Indonesian legal entity in accordance with the prevailing laws and regulations.

(3) Provisions concerning the procedures for obtaining license for apprenticeship organized outside of Indonesia's territory as mentioned under subsection (1) and subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 26

(1) Any apprenticeship organized outside of the Indonesia's territory must take into account:

a. The dignity and standing of Indonesians as a nation;
b. Mastery of a higher level of competence; and
c. Protection and welfare of apprenticeship participants, including their rights to perform religious obligations.

(2) The Minister or appointed official may order the termination of any apprenticeship taking place outside of the Indonesia's territory if it turns out that its organization is not pursuant to subsection (1).

ARTICLE 27

(1) Minister may require qualified enterprises to organize apprenticeship programs.

(2) In determining the requirements for organizing apprenticeship programs as mentioned under subsection (1), Minister must take into account the interests of the enterprise, the society and the State.

ARTICLE 28

(1) In order to provide recommendation and consideration in the establishment of policies and coordination of job training and apprenticeship activities, a national job training coordinator institute shall be established.

(2) The formation, membership and procedures of work of the national job training coordinator institute as mentioned under subsection (1) shall be regulated with a Presidential Decision.

ARTICLE 29

(1) The Central Government and/or Regional Governments shall develop job training and apprenticeship.

(2) The development of job training and apprenticeship shall be directed to improve the relevance, quality, and efficiency of job training administration and productivity.

(3) Efforts to improve productivity as mentioned under subsection (2) shall be made through the development of productive culture, work ethics, technology and efficiency of economic activities directed towards the realization of national productivity.

ARTICLE 30

(1) In order to enhance productivity as mentioned under subsection (2) of Article 29, a national productivity institute shall be established.

(2) The national productivity institute as mentioned under subsection (1) shall be in the form of an institutional productivity enhancement service network, which supports cross-sector and cross-regional activities/ programs.

(3) The formation, membership and procedures of work of the national productivity institute as mentioned under subsection (1) shall be regulated with a Presidential Decision.

CHAPTER VI
JOB PLACEMENT

ARTICLE 31

Any manpower shall have equal rights and opportunities to choose a job, get a job, or move to another job and earn decent income irrespective of whether they are employed at home or abroad.

ARTICLE 32

(1) Job placement shall be carried out based on transparency, free, objectivity, fairness and equal opportunity without discrimination.

(2) Job placement shall be directed to place manpower in the right job or position which best suits their skills, trade, capability, talents, interest and ability by observing their dignity and rights as human beings as well as legal protection.

(3) Job placement shall be carried out by taking into account the equal distribution of equal opportunity and the available supply of manpower in accordance with the needs of the national and regional development programs.

ARTICLE 33

The placement of manpower consists of:

a. The placement of manpower at domestic level;
b. The placement of manpower in foreign countries.

ARTICLE 34

Provisions concerning the placement of manpower in foreign countries as mentioned under Article 33 point b shall be regulated with an act.

ARTICLE 35

(1) Employers who need workforce may recruit by themselves the workforce they need or have them recruited through job placement agencies.

(2) Job placement agencies as mentioned under subsection (1) are under an obligation to provide protection to manpower that they try to find a placement for since their recruitment takes place until their placement is realized.

(3) In employing people who are available for a job, the employers as mentioned under subsection (1) are under an obligation to provide protection which shall include protection for their welfare, safety and health, both mental and physical.

ARTICLE 36

(1) The placement of manpower by a job placement agency as mentioned under subsection (1) of Article 35 shall be carried out through the provision of job placement service.

(2) Job placement service as mentioned under subsection (2) shall be provided/rendered in an integrated manner within a job placement system to which the following elements are part:

a. Job seekers;
b. Vacancies;
c. Job market information;
d. Inter-job mechanisms; and
e. Institutional arrangements for job placement.

(3) Activities connected with the elements of the job placement system as mentioned under subsection (2) can take place separately and are aimed at the realization of the placement of manpower.

ARTICLE 37

(1) Job placement agencies as mentioned under subsection (1) of Article 35 consist of:

a. Government agencies responsible for manpower affairs; And
b. Private agencies with legal status.

(2) In order to provide job placement service, the private agency as mentioned under subsection (1) point b is under an obligation to possess a written permission from Minister or another appointed official.

ARTICLE 38

(1) Job placement agencies as mentioned under point a subsection (1) of Article 37 are prohibited from collecting placement fees, either directly or indirectly, in part or in whole, from people available for work whom they find a placement for and their users.

(2) Private job placement agencies as mentioned under point b subsection (1) of Article 37 may only collect placement fees from users of their service and from workers of certain ranks and occupation whom they have placed.

(3) The ranks and occupation as mentioned under subsection (2) shall be regulated with a Ministerial Decision.

CHAPTER VII
EXTENSION OF JOB OPPORTUNITIES

ARTICLE 39

(1) The government is responsible for making efforts to extend job opportunities either within or outside of employment relationships.

(2) The government and the society shall jointly make efforts to extend job opportunities either within or outside of employment relationships.

(3) All the government's policies, at the central or regional level and in each sector, shall be directed to realize the extension of job opportunities either within or outside of employment relationships.

(4) Financial institutions, either banks or non-banks, and the business society need to help and facilitate each activity of the society which can create or develop extension of job opportunities.

ARTICLE 40

(1) Extension of employment opportunities outside of employment relationships shall be undertaken through the creation of productive and sustainable activities by efficient use of natural resource potentials, human resources, and effective practical technologies.

(2) Extension of employment opportunities as mentioned under subsection (1) shall be undertaken through patterns of formation and development for the self-employed, the application of labour-intensive system, the application and development of effective practical technology, and efficient use of volunteers or other patterns that may encourage the creation of job opportunity extension.

ARTICLE 41

(1) The government shall determine manpower and job opportunity extension policies.

(2) The government and the society shall jointly exercise control over the implementation of the policies as mentioned under subsection (1).

(3) In implementing the duty as mentioned under subsection (2), a coordinating body with government and society constituents as its members may be established.

(4) Provisions concerning the extension of job opportunities as mentioned under Article 39 and Article 40 and the formation of a coordinating body as mentioned under subsection (3) of this Article shall be regulated with a Government Regulation.

CHAPTER VIII
EMPLOYMENT OF FOREIGN WORKER

ARTICLE 42

(1) Every employer that employs foreign worker is under an obligation to obtain written permission from Minister.

(2) An employer who is an individual person is prohibited from employing foreign worker.

(3) The obligation to obtain permission from Minister as mentioned under subsection (1) does not apply to representative offices of foreign countries in Indonesia that employ foreign citizens as their diplomatic and consular employees.

(4) Foreign worker can be employed in Indonesia in employment relations for certain positions and for a certain period of time only.

(5) Provisions concerning certain positions and certain periods of time as mentioned under subsection (4) shall be regulated with a Ministerial Decision.

(6) Foreign workers as mentioned under subsection (4) whose working period has expired and cannot be extended may be replaced by other foreign workers.

ARTICLE 43

(1) Employers of foreign worker must have plan concerning the utilization of foreign worker that are legalized by the Minister or appointed official.

(2) The plans for the utilization of foreign worker as mentioned under subsection (1) shall at least contain the following information:

a. The reasons why the service of foreign worker is needed or required.

b. The position and or occupation of the foreign worker within the organizational structure of the enterprise.
c. The timeframe set for the use of the foreign worker; and
d. The appointment of Indonesian worker as associate for the foreign worker.

(3) The provision as mentioned under subsection (1) does not apply to government agencies, international agencies and representative diplomatic offices of foreign countries.

(4) The provisions concerning the procedures for the legalization of plans concerning the utilization of foreign worker shall be regulated with a Ministerial Decision.

ARTICLE 44

(1) Employers of foreign worker are under an obligation to obey the prevailing regulations concerning occupations and competence standards.

(2) The provisions concerning occupations and competence standards as mentioned under subsection (1) shall be regulated with a Ministerial Decision.

ARTICLE 45

(1) Employers who employ foreign worker are under obligations:

a. To appoint Indonesian worker as associate for foreign worker whereby the foreign worker shall transfer technologies and his/her expertise to his/her Indonesian associate; and
b. To educate and train Indonesian worker, as mentioned under point a, until he/she has the qualifications required to occupy the position currently occupied by foreign worker.

(2) The provision as mentioned under subsection (1) does not apply to foreign worker who occupy the position of director and/or commissioner.

ARTICLE 46

(1) Foreign worker is not allowed to occupy position that deal with personnel and/or occupy certain positions.

(2) The certain positions as mentioned under subsection (1) shall be regulated with a Ministerial Decision.

ARTICLE 47

(1) Employers are obliged to pay compensation for each of foreign worker that they employ.

(2) The obligation to pay compensation as mentioned under subsection (1) does not apply to government agencies, international agencies, social and religious undertakings and certain positions in educational institutions.

(3) The provisions concerning certain positions in educational institutions as mentioned under subsection (2) shall be regulated with a Ministerial Decision.

(4) The provisions concerning the amount of compensation and its utilization shall be regulated with a Government Regulation.

ARTICLE 48

Employers who employ foreign worker are under an obligation to repatriate the foreign worker to their countries of origin after their employment comes to an end.

ARTICLE 49

Provisions concerning the procedures for the utilization of foreign workers and the implementation of education and training for their Indonesian associate shall be regulated with a Government Regulation.

CHAPTER IX
EMPLOYMENT RELATION

ARTICLE 50

Employment relation exists because of the existence of a work agreement between the entrepreneur and the worker/ labourer.

ARTICLE 51

(1) Work agreements can be made either orally or in writing.

(2) Work agreements that specify requirements in writing shall be carried out in accordance with valid legislation.

ARTICLE 52

(1) A work agreement shall be made based on:

a. The agreement of the parties;
b. The capability or competence to take legal actions;
c. The availability/existence of the job which the parties have agreed about;
d. The notion that the job which the parties have agreed about is not against public order, morality and what is prescribed in the prevailing laws and regulations.

(2) If a work agreement, which has been made by the parties, turns out to be against what is prescribed under point a and point b of subsection (1), the agreement may be abolished/cancelled.

(3) If a work agreement, which has been made by the parties, turns out to be against what is prescribed under point c and point d of subsection (1), the agreement shall be declared null and void by law.

ARTICLE 53

Everything associated with, and/or the costs needed for, the making of a work agreement shall be borne by, and shall be the responsibility of, the entrepreneur.

ARTICLE 54

(1) A written work agreement shall at least include:

a. The name, address and line of business;
b. The name, sex, age and address of the worker/labourer;
c. The occupation or the type of job;
d. The place, where the job is to be carried out;
e. The amount of wages and how the wages shall be paid;
f. Job requirements stating the rights and obligations of both the entrepreneur and the worker/ labourer;
g. The date the work agreement starts to take effect and the period during which it is effective;
h. The place and the date where the work agreement is made; and
i. The signatures of the parties involved in the work agreement.

(2) The provisions in a work agreement as mentioned under point e and point f of subsection (1) are concerned must not against the company regulations, the collective labour agreement and prevailing laws and regulations.

(3) work agreement as mentioned under subsection (1) shall be made in 2 (two) counterparts which have the same legal force, 1 (one) copy of which shall be kept by the entrepreneur and the other by the worker/ labourer.

ARTICLE 55

A work agreement cannot be withdrawn and/or changed unless the parties agreed otherwise.

ARTICLE 56

(1) A work agreement may be made for a specified time or for an unspecified time.

(2) A work agreement for a specified time shall be made based on:

a. A term; or
b. The completion of a certain job.

ARTICLE 57

(1) A work agreement for a specified time shall be made in writing and must be written in the Indonesian language with Latin alphabets.

(2) A work agreement for a specified time, if not made in writing is against what is prescribed under subsection (1), shall be regarded as a work agreement for an unspecified time.

(3) If a work agreement is written in both the Indonesian language and a foreign language and then differences in interpretation arise, then the Indonesian version of the agreement shall prevail.

ARTICLE 58

(1) A work agreement for a specified time cannot stipulate probation.

(2) If a work agreement as mentioned under subsection (1) stipulates the probation, it shall then be declared null and void by law.

ARTICLE 59

(1) A work agreement for a specified time can only be made for a certain job, which, because of the type and nature of the job, will finish in a specified time, that is:

a. Work to be performed and completed at once or work which is temporary by nature;
b. Work whose completion is estimated time which is not too long and no longer than 3 (three) years;
c. Seasonal work; or
d. Work that is related to a new product, a new activity or an additional product that is still in the experimental stage or try-out phase.

(2) A work agreement for a specified time cannot be made for jobs that are permanent by nature.

(3) A work agreement for a specified time can be extended or renewed.

(4) A work agreement for a specified time may be made for a period of no longer than 2 (two) years and can only be extended one time that is not longer than 1 (one) year.

(5) Entrepreneurs who intend to extend work agreement for a specified time shall notify the said workers/ labourers of the intention in writing within a period of no later than 7 (seven) days prior to the expiration of the work agreements.

(6) The renewal of a work agreement for a specified time can only be made after a grace period of 30 (thirty) days is over since the work agreement for a specified period comes to an end; the renewal of a work agreement for a specified time can only be made once that is no longer than 2 (two) years.

(7) Any work agreement for a specified time that does not fulfill the requirements mentioned under subsection (1), subsection (2), subsection (4), subsection (5) and subsection (6) shall, by law, become a work agreement for an unspecified time.

(8) Other matters that have not been regulated under this article shall be further regulated with a Ministerial Decision.

ARTICLE 60

(1) A work agreement for an unspecified time may require a probation period for no longer than 3 (three) months.

(2) During the probation period as mentioned under subsection (1), the entrepreneur is prohibited from paying wages less than the applicable minimum wage.

ARTICLE 61

(1) A work agreement comes to an end if:

a. The worker dies; or
b. The work agreement expires; or
c. A court decision and/or a resolution or order of the industrial relations disputes settlement institution, which has permanent legal force; or
d. There is a certain situation or incident prescribed in the work agreement, the company regulations, or the collective labour agreement which may effectively result in the termination of employment. A work agreement does not end because the entrepreneur dies or because the ownership of the company has been transferred because the company has been sold, bequeathed to an heir, or awarded as a grant.

(2) In the event of a transfer of ownership of an enterprise, the new entrepreneur shall bear the responsibility of fulfilling the entitlements of the worker/ labourer unless otherwise stated in the transfer agreement, which must not reduce the entitlements of the worker/ labourer.

(3) If the entrepreneur, individual, dies, his or her heir may terminate the work agreement after negotiating with the worker/ labourer.

(4) If a worker/ labourer die, his or her heir has a rightful claim to acquire the worker's entitlements according to the prevailing laws and regulations or to the entitlements that has been prescribed in the work agreement, the company regulations, or the collective labour agreement.

ARTICLE 62

If either party in a work agreement for a specified time shall terminates the employment relations prior to the expiration of the agreement, or if their work agreement has to be ended for reasons other than what is given under subsection (1) of Article 61, the party that terminates the relation is obliged to pay compensation to the other party in the amount of the worker's/ labourer's wages until the expiration of the agreement.

ARTICLE 63

(1) If a work agreement for an unspecified time is made orally, the entrepreneur is under an obligation to issue a letter of appointment for the relevant worker/ labourer. The letter of appointment as mentioned under subsection (1) shall at least contain information concerning:

a. The name and address of the worker/ labourer;
b. The date the worker starts to work;
c. The type of job or work; and
d. The amount of wages.

ARTICLE 64

An enterprise may subcontract part of its work to another enterprise under a written agreement of contract of work or a written agreement for the provision of worker/labour.

ARTICLE 65

(1) The subcontract of part of work to another enterprise shall be performed under a written agreement of contract of work.

(2) Work that may be subcontracted as mentioned under subsection (1) must meet the following requirements:

a. The work can be done separately from the main activity;
b. The work is to be undertaken under either a direct or an indirect order from the party commissioning the work;
c. The work is an entirely auxiliary activity of the enterprise; and
d. The work does not directly inhibit the production process.

(3) The other enterprise as mentioned under subsection (1) must be in the form of a legal entity.

(4) The protection and working conditions provided to workers/ labourers at the other enterprise as mentioned under subsection (2) shall at least the same as the protection and working conditions provided at the enterprise that commissions the contract or in accordance with the prevailing laws and regulations.

(5) Any change and/or addition to what is required under subsection (2) shall be regulated further with a Ministerial Decision.

(6) The employment relationship in undertaking the work as mentioned under subsection (1) shall be regulated with a written employment agreement between the other enterprise and the worker/labourer it employs.

(7) The employment relationship as mentioned under subsection (6) may be based on an employment agreement for an unspecified time or on an employment agreement for a specified time if it meets the requirements under Article 59.

(8) If what is stipulated under subsection (2), and subsection (3), is not met, the enterprise that contracts the work to the contractor shall be held legally responsible by law to be the employer of the worker/ labourer employed by the contractor.

(9) In the event of change of employer from the contractor to the contracting enterprise as mentioned under subsection (8), the employment relationship between the worker/ labourer and the contracting enterprise shall be subjected to the employment relationship as mentioned under subsection (7).

ARTICLE 66

(1) Workers/ labourers from labour suppliers must not be utilized by employers to carry out their enterprises' main activities or activities that are directly related to production process except for auxiliary service activities or activities that are indirectly related to production process.

(2) Labour suppliers which provide labour for auxiliary service activities or activities indirectly related to production process must fulfill the following requirements:

a. There is employment relationship between the worker/ labourer and the labour provider;
b. The applicable employment agreement in the employment relationship as mentioned under point a above shall be employment agreement for a specified time which fulfills the requirements under Article 59 and/or work agreement for an unspecified time made in writing and signed by the parties;

c. The labour provider shall be responsible for wages and welfare protection, working conditions and disputes that may arise; and

d. The agreements between enterprises serving as labour providers and enterprises using the labour they provide shall be made in writing and shall include provisions as mentioned under this act.

(3) Labour providers/ suppliers shall take the form of a legal entity business with license from a government agency responsible for manpower affairs.

(4) If what is stipulated under subsection (1), point a, point b, and point d of subsection (2), and subsection (3) is not fulfilled, the enterprise that utilizes the service of the labour provider shall be held legally responsible by law to be the employer of workers/labourers provided to it by the labour provider.

CHAPTER IX
PROTECTION, WAGES AND WELFARE

SECTION ONE

PROTECTION

SUBSECTION 1

DISABLED PERSONS

ARTICLE 67

(1) Entrepreneurs who employ disabled workers are under an obligation to provide protection to the workers in accordance with the type and severity of their disability.

(2) The protection for disabled workers as mentioned under subsection (1) shall be administered in accordance with prevailing laws and regulations.

SUBSECTION 2

CHILDREN

ARTICLE 68

Entrepreneurs are not allowed to employ children.

ARTICLE 69

(1) Exemption from what is stipulated under Article 68 may made for the employment of children aged between 13 (thirteen) years old and 15 (fifteen) years old for light work to the extent that the job does not stunt or disrupt their physical, mental and social developments.

(2) Entrepreneurs who employ children for light work as mentioned under subsection (1) must meet the following requirements:

a. The entrepreneurs must have written permission from the parents or guardians of the children;
b. There must be a work agreement between the entrepreneur and the parents or guardians;
c. Maximum working time 3 (three) hours a day;
d. Conducting during the day without disturbing school time;
e. occupational safety and health;
f. A clear employment relations; and
g. receive wages in accordance with the prevailing provisions.

(3) The provisions as mentioned under point a, b, f and point g of subsection (2) shall not apply to children who work in a family business.

ARTICLE 70

(1) Children may work at a workplace as part of their school's education curriculum or training legalized by the authorities.

(2) The children as mentioned under subsection (1) at least 14 (fourteen) years of age.

(3) The job as mentioned under subsection (1) can be performed on the conditions:

a. given clear instructions on how to do the job as well as guidance and supervision on how to carry out the work; and
b. given the occupational safety and health.

ARTICLE 71

(1) Children may work in order to develop their talents and interest.

(2) Entrepreneurs who employ children as mentioned under subsection (1) are under an obligation to meet the following requirements:

a. put under direct supervision of their parents or guardians;
b. maximum working time 3 (three) hours a day; and
c. the working conditions and environment do not disrupt their physical, mental and social developments as well as school time;

(3) Provisions concerning children who work to develop their talents and interest as mentioned under subsection (1) and subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 72

In case children are employed together with adult workers/labourers, the children's workplace must be separated from the workplace for adult workers/labourers.

ARTICLE 73

Children shall be assumed to be at work if they are found in a workplace unless there is evidence to prove otherwise.

ARTICLE 74

(1) Anyone shall be prohibited from employing and involving children in the worst forms of child labour.

(2) The worst forms of child labour as mentioned under subsection (1) include:

a. All kinds of job in the form of slavery or practices similar to slavery;
b. All kinds of job that make use of, procure, or offer children for prostitution, the production of pornography, pornographic performances or gambling;

c. All kinds of job that make use of, procure, or involve children for the production and trade of alcoholic beverages, narcotics, psychotropic substances and other addictive substances; and/or
d. All kinds of job harmful to the health, safety and moral.
(3) The types of jobs that damage the health, safety or moral of the child as mentioned under point d of subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 75

(1) The government is under an obligation to make efforts to overcome problems concerning with children who work outside of employment relationship.

(2) The efforts as mentioned under subsection (1) shall be regulated with a Government Regulation.

SUBSECTION 3

WOMEN

ARTICLE 76

(1) It is prohibited to employ female workers/ labourers aged less than 18 (eighteen) years of age between 11 p.m. until 7 a.m.

(2) Entrepreneurs are prohibited from employing pregnant female workers/ labourers who, according to a doctor's certificate, are at risk of damaging their health or harming their own safety and the safety of the baby that are in their wombs if they work between 11 p.m. until 7 a.m.

(3) Entrepreneurs who employ female workers/ labourers to work between 11 p.m. until 7 a.m. are under an obligation:

a. To provide them with nutritious food and drinks; and
b. To maintain decency/ morality and security in the workplace.

(4) Entrepreneurs are under an obligation to provide returned/ roundtrip transport for female workers/ labourers who work between 11 p.m. until 5 a.m.

(5) Provisions as mentioned under subsection (3) and subsection (4) shall be regulated with a Ministerial Decision.

SUBSECTION 4

WORKING HOURS

ARTICLE 77

(1) Every entrepreneur is under an obligation to observe the provision concerning working hours.

(2) The working hours as mentioned under subsection (1) cover:

a. 7 (seven) hours a day and 40 (forty) hours a week for 6 (six) workdays in a week; or
b. 8 (eight) hours a day, 40 (forty) hours a week for 5 (five) workdays in a week;

(3) The provisions concerning the working hours as mentioned under subsection (2) do not apply to certain businesssectors or certain types of work.

(4) The provisions concerning working hours for certain business sectors or certain types of work as mentioned under subsection (3) shall be regulated with a Ministerial Decision.

ARTICLE 78

(1) Entrepreneurs who require their workers/ labourers to work longer than the working hours determined under subsection (2) of Article 77 must meet the following requirements:

a. Approval of the relevant worker/labourer;
b. Maximum overtime work of 3 (three) hours in a day and 14 (fourteen) hours in a week.

(2) Entrepreneurs who require their workers/ labourers to work overtime as mentioned under subsection (1) are under an obligation to pay overtime pay.

(3) The provisions concerning overtime as mentioned under subsection (1) point b do not apply to certain business sector or certain jobs.

(4) The provisions concerning overtime and overtime wages as mentioned under subsection (2) and subsection (3) shall be regulated with a Ministerial Decision.

ARTICLE 79

(1) Entrepreneurs are under an obligation to allow their workers/ labourers to take a rest and leave.

(2) The period of rest and leave as mentioned under subsection (1) shall include:

a. The period of rest between working hours at least half an hour after working for 4 (four) hours consecutively and this period of rest shall not be inclusive of working hours;

   The weekly period of rest is 1 (one) day after 6 (six) workdays in a week or 2 (two) days after 5 (five) workdays in a week;
b. he yearly period of rest is 12 (twelve) workdays after the worker/labourer works for 12 (twelve) months consecutively; and
c. A long period of rest of no less than 2 (two) months, which shall be awarded in the seventh and eighth year of work each for a period of 1 (one) month to workers/ labourers who have been working for 6 (six) years consecutively at the same enterprise on the condition that the said workers/ labourers will no longer be entitled to their annual period of rest in 2 (two) current years. This provision shall henceforth be applicable every 6 (six) years of work.

(3) The application of the provision concerning the period of rest as mentioned under point c of subsection (2) shall be regulated in a work agreement, the company regulations or the collective labour agreement.

(4) The provisions concerning the long period of rest as mentioned under point d of subsection (2) only apply to workers/labourers who work in certain enterprises.

(5) The certain enterprises as mentioned under subsection (4) shall be regulated with a Ministerial Decision.

ARTICLE 80

Entrepreneurs are under an obligation to provide workers with adequate opportunity to perform their religious obligations.

ARTICLE 81

(1) Female workers/labourers who feel pain during their menstruation period and notify the entrepreneur about this are not obliged to come to work on the first and second day of menstruation.

(2) The implementation of what is stipulated under subsection (1) shall be regulated in work agreements, the company regulations or collective labour agreements.

ARTICLE 82

(1) Female workers/ labourers are entitled to a 1.5 (one-and-a-half) month period of rest before the time at which they are estimated by an obstetrician or a midwife to give birth to a baby and another 1.5 (one-and-a-half) month period of rest thereafter.

(2) A female worker/ labourer who has a miscarriage is entitled to a period of rest of 1.5 (one-and-a-half) months or a period of rest as stated in the medical statement issued by the obstetrician or midwife.

ARTICLE 83

Entrepreneurs are under an obligation to provide proper opportunities to female workers/ labourers whose babies still need breastfeeding to breast-feed their babies if that must be performed during working hours.

ARTICLE 84

Every worker/ labourer who uses her right to take the period of rest as specified under points b, c and d of subsection (2) of Article 79, Article 80 and Article 82 shall receive her wages in full.

ARTICLE 85

(1) Workers/ labourers are not obliged to work on formal public holidays.

(2) Entrepreneurs may require their workers/ labourers to work during formal public holidays if the types and nature of their jobs must be conducted continuously or under other circumstances based on the agreement between the worker/ labourer and the entrepreneur.

(3) Entrepreneurs who require their workers/ labourers to work on formal public holidays as mentioned under subsection (2) are under an obligation to pay overtime pay.

(4) The provisions concerning the types and nature of the jobs mentioned under subsection (2) shall be regulated with a Ministerial Decision.

SUBSECTION 5

OCCUPATIONAL SAFETY AND HEALTH

ARTICLE 86

(1) Every worker/ labourer has the right to receive protection on:

a. Occupational safety and health;
b. morality and decency; and
c. Treatment that shows respect to human dignity and religious values.

(2) In order to protect the safety of workers/ labourers and to realize optimal productivity, an occupational health and safety scheme shall be administered.

(3) The protection as mentioned under subsection (1) and subsection (2) shall be given in accordance with prevailing laws and regulations.

ARTICLE 87

(1) Every enterprise is under an obligation to apply an occupational safety and health management system that shall be integrated into the enterprise's management system.

(2) The provisions concerning the application of the occupational safety and health management system as mentioned under subsection (1) shall be regulated with a Government Regulation.

SECTION TWO

WAGES

ARTICLE 88

(1) Every worker/ labourer has the right to earn a living that is decent from the viewpoint of humanity.

(2) In order to enable the worker to earn a living that is decent from the viewpoint of humanity as mentioned under subsection (1), the Government shall establish a wages policy that protects the worker/labourer.

(3) The wages policy that protects workers/labourers as mentioned under subsection (2) shall include:

a. Minimum wages;
b. Overtime pay;
c. Paid-wages during the absence;
d. Paid-wages because of activities outside of his job that he has to carry out;
e. Wages payable because he uses his right to take a rest;
f. The form and method of the payment of wages;
g. Fines and deductions from wages;
h. Other matters that can be calculated with wages;
i. Proportional wages structure and scale;
j. Wages for the payment of severance pay; and k. Wages for calculating income tax.

(4) The Government shall establish/set minimum wages as mentioned under subsection (3) point (a) based on the need for decent living by taking into account productivity and economic growth.

ARTICLE 89

(1) The minimum wages as mentioned under point a of subsection (3) of Article 88 may consist of:

a. Provincial or district/city-based minimum wages;
b. Provincial or district/city-based sectoral minimum wages.

(2) The establishment of minimum wages as mentioned under subsection (1) shall be directed towards meeting the need for decent living.

(3) The minimum wages as mentioned under subsection (1) shall be determined by Governors after considering recommendations from Provincial Wages Councils and/ or District Heads/Mayors.

(4) The components of and the implementation of the phases of achieving the needs for decent living as mentioned under subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 90

(1) Entrepreneurs are prohibited from paying wages lower than the minimum wages as mentioned under Article 89.

(2) Entrepreneurs who are unable to pay minimum wages as mentioned under Article 89 may be allowed to make postponement.

(3) Procedures for postponing paying minimum wages as mentioned under subsection (2) shall be regulated with a Ministerial Decision.

ARTICLE 91

(1) The amount of wages set based on an agreement between the entrepreneurs and the worker/ labourer or trade/ labour union must not be lower than the amount of wages set under the prevailing laws and regulations.

(2) In case the agreement as mentioned under subsection (1) sets a wages that is lower than the one that has to be set under the prevailing laws and regulations or against prevailing laws and regulations, the agreement shall be declared null and void by law and the entrepreneur shall be obliged to pay the worker/ labourer a wages according to the prevailing laws and regulations.

ARTICLE 92

(1) Entrepreneurs shall formulate the structure and scales of wages by taking into account the level, position, years of work, education and competence of the worker/ labourer.

(2) Entrepreneurs shall review their workers/labourers' wages periodically by taking into account their enterprise's financial ability and productivity.

(3) The provisions concerning the structure and scales of wages as mentioned under subsection (1) shall be regulated with a Ministerial Decision.

ARTICLE 93

(1) No wages will be paid if workers/labourers do not perform work.

(2) However, the provision as mentioned under subsection (1) shall not apply and the entrepreneur shall be obliged to pay the worker/labourer's wages if the worker/labourer does not perform work because of the following reasons:

a. The workers/labourers are ill so that they cannot perform their work;
b. The female workers/labourers are ill on the first and second day of their menstruation period so that they cannot perform their work;

c. The workers/labourers have to be absent from work because they get married, marry of their children, have their sons circumcised, have their children baptized, or because the worker/ labourer's wife gives birth or suffers from a miscarriage, or because the wife or husband or children or children-in-law(s) or parent(s) or parent-in-law(s) of the worker/labourer or a member of the worker/labourer's household dies.
d. The workers/labourers cannot perform their work because they are carrying out or fulfilling their obligations to the State;
e. The workers/labourers cannot perform their work because they are performing religious obligations ordered by their religion;
f. The workers/labourers are willing to do the job that they have been promised to but the entrepreneur does not employ them, because of the entrepreneur's own fault or because of impediments that the entrepreneur should have been able to avoid;
g. The workers/labourers are exercising their right to take a rest;
h. The workers/labourers are performing their trade union duties with the permission from the entrepreneur; and
i. The workers/labourers are undergoing an education program required by their enterprise.

(3) The amount of wages payable to workers who are taken ill as mentioned under point a of subsection (2) shall be determined as follows:

a. For the first four months, they shall be entitled to receive 100 % (one hundred percent) of their wages;
b. For the second four months, they shall be entitled to receive 75 % (seventy five percent) of their wages;
c. For the third four months, they shall be entitled to receive 50 % (fifty percent) of their wages; and
d. For subsequent months, they shall be entitled to receive 25 % (twenty five percent) of their wages prior to the termination of employment by the entrepreneur.

(4) The amount of wages payable to workers/ labourers during the period in which they have to be absent from work for reasons specified under point c of subsection (2) shall be determined as follows,

a. If the workers/labourers are get married, shall be entitled to receive a payment for 3 (three) days;
b. If the workers/labourers marry of their children, shall be entitled to receive a payment for 2 (two) days;
c. If the workers/labourers' child are circumcised, shall be entitled to receive a payment for 2 (two) days;
d. If the workers/labourers' children are baptized, shall be entitled to receive a payment for 2 (two) days;

e. If a workers/labourers' wife gives birth or suffers a miscarriage, shall be entitled to receive a payment for 2 (two) days;

f. If the workers/labourers' spouse, or because either one parent or one of parent-in-law, or because one of children or children-in-law dies, shall be entitled to receive a payment for 2 (two) days; and

g. If a member of the worker/labourer's household dies, shall be entitled to receive a payment for 1 (one) day.

(5) Arrangements for the implementation of what is stipulated under subsection (2) shall be specified in the work agreements, company regulations or collective labour agreements.

ARTICLE 94

If a wages is composed of basic wage and fixed allowances, the amount of the basic wage must not be less than 75% (seventy five percent) of the total amount of the basic wages and fixed allowances.

ARTICLE 95

(1) Violations by the worker/ labourer, either by willful misconduct or negligence, may result in the imposition of a fine.

(2) Entrepreneurs who pay their workers/ labourers' wages late either by willful misconduct or negligence shall be ordered to pay a fine whose amount shall correspond to a certain percentage from the worker/labourer's wages.

(3) The government shall regulate the imposition of fine on the entrepreneur and or the worker/ labourer in the payment of wages.

(4) In case the enterprise is declared bankrupt or liquidated based on the prevailing laws and regulations, the payment of the enterprise's workers/ labourers' wages shall take priority over the payment of other debts.

ARTICLE 96

Any claim for the payment of the worker/ labourer's wages and all other claims for payments that arise from an employment relation shall expire after the lapse of 2 (two) years since such the right is arose.

ARTICLE 97

The provisions concerning decent income, wages policy, the need for decent living and workers' wages protection as mentioned under Article 88, the setting of minimum wages as mentioned under Article 89, and the provision concerning the imposition of a fine as mentioned under subsection (1),

subsection (2) and subsection (3) of Article 95 shall be regulated with a Government Regulation.

ARTICLE 98

(1) In order to provide recommendations and considerations for the formulation of wages policies to be established by the Government, and to develop a national wages system, the National Wage Council, Provincial Wage Councils, and District/ City Wage Councils shall be established.

(2) The councils as mentioned under subsection (1) shall have representatives from the government, entrepreneurs' organizations, trade/ labour unions, universities and experts as their members.

(3) The members of the National-level Wage Council shall be appointed and dismissed by the President while the members of Provincial Wage Councils and District/ City Wage Councils shall be appointed and dismissed by the Governors/ District Heads/ Mayors of the respective provinces, districts and cities.

(4) The provisions concerning the procedures for the formation of, membership composition of, procedures for appointing and dismissing members of and duties and working procedures of wages system councils as mentioned under subsection (1) and subsection (2) shall be regulated with a Presidential Decision.

SECTION THREE

WELFARE

ARTICLE 99

(1) Workers/ labourers and their families shall each be entitled to social security.

(2) The social security as mentioned under subsection (1) shall be administered in accordance with the prevailing laws and regulations.

ARTICLE 100

(1) In order to improve the welfare of the workers/labourers and their families, the entrepreneur shall provide welfare facilities.

(2) The provision of welfare facilities as mentioned under subsection (1) shall be administered by weighing the need of the worker/labourer for welfare facilities against the enterprise's ability to provide such facilities.

(3) The provisions concerning the type and criteria of welfare facilities according to the need of the worker/ labourer and the measurement of the enterprise's ability to provide them as mentioned under subsection (1) and subsection (2) shall be regulated with a Government Regulation.

ARTICLE 101

(1) To improve workers/labourers' welfare, workers/labourers' cooperatives and productive business at the enterprise shall be established.

(2) The government, the entrepreneur and the worker/ labourer or the trade/labour union shall make efforts to develop workers/labourers' cooperatives and develop productive business as mentioned under subsection (1).

(3) Efforts to establish workers/labourers' cooperatives as mentioned under subsection (1) shall be made in accordance with the prevailing laws and regulations.

(4) Efforts to develop workers/labourers' cooperatives as mentioned under subsection (2) shall be regulated with a Government Regulation.

CHAPTER XI

INDUSTRIAL RELATIONS

SECTION ONE

GENERAL

ARTICLE 102

(1) In conducting industrial relations, the government shall perform the function of establishing policies, providing services, taking control and taking actions against any violations of statutory manpower laws and regulations.

(2) In conducting industrial relations, workers/ labourers and their organizations unions shall perform the function of performing their jobs/ work as obliged, working order to ensure production, channeling their aspirations democratically, enhancing their skills and expertise and helping promote the business of the enterprise and fight for the welfare of their members and families.

(3) In conducting industrial relations, entrepreneurs and their associations shall perform the function of creating partnership, developing business, diversifying employment and providing welfare to workers/ labourers in a transparent and democratic way and in a way that upholds justice.

ARTICLE 103

Industrial relations shall be applied through:

a. Trade/ labour unions;
b. Entrepreneurs' organizations;
c. Bipartite cooperation institutions;
d. Tripartite cooperation institutions;
e. Company regulations;
f. Collective labour agreements;
g. Statutory manpower laws and regulations; and
h. Industrial relations dispute settlement institutes.

SECTION TWO

TRADE/LABOUR UNION

ARTICLE 104

(1) Every worker/ labourer has the right to form and become member of a trade/ labour union.

(2) In performing functions as mentioned under Article 102, a trade/ labour union shall have the right to collect and manage fund and be accountable for the union's finances, including for the provision of a strike fund.

(3) The amount of the strike fund and procedures for collecting it as mentioned under subsection (2) shall be regulated under the union's constitution and/or the union's by-laws.

SECTION THREE

ENTREPRENEURS' ORGANIZATION

ARTICLE 105

(1) Every entrepreneur has the right to form and become a member of entrepreneurs' organization.

(2) The provisions concerning entrepreneurs' organizations shall be regulated in accordance with the prevailing laws and regulations.

SECTION FOUR

BIPARTITE COOPERATION INSTITUTION

ARTICLE 106

(1) Every enterprise employing 50 (fifty) workers/ labourers or more is under an obligation to establish a bipartite cooperation institution.

(2) The bipartite cooperation institution as mentioned under subsection (1) shall function as a forum for communication and consultation on labour issues at an enterprise.

(3) The membership composition of the bipartite cooperation institution as mentioned under subsection (2) shall include the entrepreneur's representatives and the worker/ labourer's representatives who are democratically appointed by workers/ labourers to represent the interests of the worker/ labourer in the relevant enterprise.

(4) The provisions concerning the procedures for establishing the membership of the bipartite cooperation institution as mentioned under subsection (1) and subsection (3) shall be regulated with a Ministerial Decision.

SECTION FIVE

TRIPARTITE COOPERATION INSTITUTION

ARTICLE 107

(1) Tripartite cooperation institution shall provide considerations, recommendations and opinions to the government and other parties involved in policy making and problem solving concerning labour issues/ problems.

(2) The tripartite cooperation institution as mentioned under subsection (1) shall consist of:

a. The National Tripartite Cooperation Institution and the Provincial, District/City Tripartite Cooperation Institutions; and
b. Sector-based National Tripar tite Cooperation Institution and sector-based Provincial, District/City Tripartite Cooperation Institutions.

(3) The membership of tripartite cooperation institutions shall consist of representatives from the government, entrepreneurs' organizations and trade/labour unions.

(4) Procedures and organizational structures of tripartite cooperation institutions as mentioned under subsection (1) shall be regulated with a Government Regulation.

SECTION SIX

COMPANY REGULATIONS

ARTICLE 108

(1) Every enterprise which employs at least 10 (ten) workers/ labourers is under an obligation to establish a set of company regulations that shall come into force after legalized by the Minister or appointed official.

(2) The obligation to have a set of legalized company regulations as mentioned under subsection (1), however, does not apply to enterprises already having collective labour agreements.

ARTICLE 109

Entrepreneurs shall formulate the rules and regulations of their enterprise and shall be responsible for them.

ARTICLE 110

(1) Companies regulations shall be formulated by taking into account the recommendations and considerations from the worker/ labourer's representatives of the enterprise.

(2) If a trade/ labour union have already been established in the enterprise, the worker/ labourer's representatives as mentioned under subsection (1) shall be the trade/ labour union's officials.

(3) If there is no trade/ labour union in the enterprise, the worker/ labourer's representatives mentioned under subsection (1) shall be the workers/ labourers who hold a position in, or are members of, the bipartite cooperation institution and or has been democratically elected by the workers/ labourers in the enterprise to represent them and act on behalf of their interests.

ARTICLE 111

(1) Company regulations shall at least contain:

a. The rights and obligations of the entrepreneur;
b. The rights and obligations of the worker/labourer;
c. Working conditions;
d. Enterprise discipline and rule of conduct; and
e. The period of the validity of the company regulations.

(2) Company regulations shall not against the prevailing laws and regulations.

(3) The company regulations is valid for 2 (two) years and shall be renewed upon its expiration.

(4) During the validity of the company regulations, if the trade union within the enterprise request negotiation of the drafting of the collective labour agreement, the entrepreneur is obligated to do so.

(5) If the negotiation as mentioned under subsection (4) fails to reach an agreement, then the existing company regulations shall remain valid until its expiration.

ARTICLE 112

(1) Legalization of company regulations by the Minister or appointed official as mentioned under subsection (1) of Article 108 must have performed within a period of no later than 30 (thirty) workdays after the draft of the company regulations is received.

(2) If the company regulations have met the requirements under subsection (1) and subsection (2) of Article 111 and the period of 30 (thirty) workdays for legalizing them as mentioned under subsection (1) has elapsed but the Minister or the appointed official has not legalized them yet, then the company regulations shall be assumed to have been legalized.

(3) If the company regulations have not met the requirements under subsection (1) and subsection (2) of Article 111 yet, the Minister or the appointed official must give a written notification to the entrepreneur the correction to the company regulations.

(4) Within a period of no later than 14 (fourteen) workdays after the date on which the written notification is received by the entrepreneur as mentioned under subsection (3), the entrepreneur is under an obligation to resubmit the corrected version of the company regulations to the Minister or appointed official.

ARTICLE 113

(1) Any changes to the company regulations prior to its expiration can only be made on the basis of an agreement between the entrepreneur and the worker/ labourer's representatives.

(2) The company regulations resulting from the agreement as mentioned under subsection (1) shall be legalized by Minister or appointed official.

ARTICLE 114

The entrepreneur is under an obligation to notify and explain, as well as deliver, the contents of the company regulations or its changes to the worker/labourer.

ARTICLE 115

Provisions concerning procedures for making and legalizing the company regulations shall be regulated with a Ministerial Decision.

SECTION SEVEN

COLLECTIVE LABOUR AGREEMENT

ARTICLE 116

(1) A collective labour agreement shall be made between a trade/ labour union or several trade unions already recorded at a government agency responsible for manpower affairs and an entrepreneur or several entrepreneurs respectively.

(2) The collective labour agreement as mentioned under subsection (1) shall be formulated by means of deliberations.

(3) The collective labour agreement as mentioned under subsection (1) shall be made in writing using Latin alphabets and in the Indonesian language.

(4) In case the collective labour agreement is not written in the Indonesian language, the collective labour agreement must be translated into Indonesian by a sworn translator and the translation shall be considered to have fulfilled the requirements stipulated under subsection (3).

ARTICLE 117

In case the deliberations as mentioned under subsection (2) of Article 116 fail to reach any consensus, then shall be settled through the procedures of industrial relations disputes settlement.

ARTICLE 118

In one enterprise only 1 (one) collective labour agreement can be made that shall apply to all workers/labourers working in the enterprise.

ARTICLE 119

(1) If there is only one trade/labour union in an enterprise, the only trade/labour union in the enterprise shall have the right to represent workers/labourers in negotiating a collective labour agreement with the entrepreneur provided that more than 50% (fifty percent) of the total number of workers/labourers who work in the enterprise are members of the trade/labour union.

(2) In case there is only one trade/labour union in an enterprise as mentioned under subsection (1) above but the number of its members does not exceed 50% (fifty percent) of the total workforce in the enterprise, the trade/ labour union may represent workers/labourers in negotiating a collective labour agreement with the entrepreneur provided that a vote that is held on this issue confirms that the trade/labour union wins the support of more than 50% (fifty percent) of the total number of workers in the enterprise.

(3) If the support of more than 50% (fifty percent) of the enterprise's total workforce as mentioned under subsection (2) is not obtained, then the trade/labour union concerned may once again put forward its request to negotiate a collective labour agreement with the entrepreneur after a period of 6 (six) months is passed since the vote is held in accordance with the procedures as mentioned under subsection (2).

ARTICLE 120

(1) If there are more than 1 (one) trade/labour union in an enterprise, the trade/labour union that has the right torepresent workers/labourers in negotiating a collective labour agreement with the entrepreneur shall be the one whose members are more than 50% (fifty percent) of the total number of all the workers/labourers who work in the enterprise.

(2) If the requirement as mentioned under subsection (1) is not fulfilled, then the trade/labour unions in the enterprise may form a coalition until the coalition gets the support of workers numbering more than 50% (fifty percent) of the total number of workers/ labourers in the enterprise so that it is qualified to represent workers/labourers in negotiating a collective labour agreement with the entrepreneur.

(3) In case what is stipulated under subsection (1) or subsection (2) is not fulfilled, then the trade/ labour unions shall establish a negotiating team whose members shall be determined in proportion to the number of members that each trade/ labour union has.

ARTICLE 121

Membership in a trade/labour union as mentioned under Article 119 and Article 120 shall be proved with a membership card.

ARTICLE 122

The vote as mentioned under subsection (2) of Article 119 shall be administered by a committee that is composed of workers/ labourers' representatives and trade/labour union officials witnessed by the government official responsible for manpower affairs and by the entrepreneur.

ARTICLE 123

(1) The validity of the collective labour agreement is for 2 (two) years.

(2) The effectiveness of the collective labour agreement as mentioned under subsection (1) may be extended for no longer than 1 (one) year based on a written agreement between the entrepreneur and the trade/labour union(s).

(3) Negotiations for the next collective labour agreement may be started as early as 3 (three) months prior to the expiration of the existing collective labour agreement.

(4) In case the negotiations as mentioned under subsection (3) fail to result in any agreement, the existing collective labour agreement shall remain valid for a maximum period of 1 (one) year.

ARTICLE 124

(1) A collective labour agreement shall at least contain:

a. The rights and obligations of the employer;
b. The rights and obligations of the trade/ labour union and the worker/ labourer;
c. The period during which and the date starting from which the collective labour agreement takes effect; and
d. The signatures of those involved in making the collective labour agreement.

(2) The provisions of a collective labour agreement must not against the prevailing laws and regulations.

(3) Should the contents of a collective labour agreement against the prevailing laws and regulations as mentioned under subsection (2), then the contradictory stipulations shall be declared null and void by law and the provision under prevailing laws and regulations shall prevail.

ARTICLE 125

If the parties agree to change collective labour agreement, then the changes shall form an inseparable part of the existing collective labour agreement.

ARTICLE 126

(1) The entrepreneur, the trade/labour union and or the worker/ labourer is under an obligation to implement the provisions in the collective labour agreement.

(2) The entrepreneur and the trade/labour union are under an obligation to inform the contents of the collective labour agreement or any changes made to it to all workers/ labourers.

(3) The entrepreneur must print and distribute the text of collective labour agreement to each worker/ labourer on the enterprise's expense.

ARTICLE 127

(1) Any work agreement made by the entrepreneur and the worker/ labourer shall not against the collective labour agreement.

(2) Should there be any provisions under the work agreement mentioned under subsection (1) against the collective labour agreement, then those particular provisions in the work agreement shall be declared null and void by law and the provision on the collective labour agreement shall prevail.

ARTICLE 128

If a work agreement does not contain the rules and regulations that are stipulated in the collective labour agreement, then the stipulations specified in the collective labour agreement shall prevail.

ARTICLE 129

(1) The entrepreneur is prohibited from replacing the collective labour agreement with the company regulations as long as there is a trade/ labour union in the enterprise.

(2) If there is no more trade/ labour union in the enterprise and the collective labour agreement is replaced by the company regulations, then the provisions in the company regulations shall by no means be inferior to the provisions in the collective labour agreement.

ARTICLE 130

(1) If a collective labour agreement that has expired will be extended or renewed and there is only 1 (one) trade/labour union in the enterprise, then the extension or renewal of the collective labour agreement shall not require the requirements under Article 119.

(2) If a collective labour agreement that has expired will be extended or renewed and there are more than 1 (one) trade/ labour union in the enterprise and the trade/ labour union that negotiated in the last agreement no longer meet the requirement under subsection (1) of Article 120, the extension or renewal of the collective labour agreement shall be made by the trade/ labour union whose members are more than 50% (fifty percent) of the total number of workers/ labourers in the enterprise together with the trade/ labour union that negotiated in the last agreement by establishing a negotiating team whose members are proportional to the members of the trade/ labour unions represented in the team.

(3) If the expired collective labour agreement will be extended or renewed and there are more than 1 (one) trade/labour unions in the enterprise and none of them meet the requirement under subsection (1) of Article 120, then the extension or renewal of the collective labour agreement shall be made in accordance with the provision under subsection (2) and subsection (3) of Article 120.

ARTICLE 131

(1) In case of the dissolution of a trade/labour union or the transfer of the enterprise's ownership, then the existing collective labour agreement shall remain valid until it expires.

(2) If an enterprise with a collective labour agreement merges with another enterprise with another collective labour agreement, then the prevailing collective labour agreement is the one that gives the worker/labourer more advantages.

(3) If an enterprise that has a collective labour agreement merges with another enterprise that has no collective labour agreement, then the collective labour agreement of the enterprise that has it shall apply to the enterprise resulted from the merger until the collective labour agreement expires.

ARTICLE 132

(1) A collective labour agreement shall take effect on the day it is signed unless otherwise stated in the relevant collective labour agreement.

A collective labour agreement that has been signed by the parties must be registered by the entrepreneur at a government agency responsible for manpower affairs.

ARTICLE 133

The provisions concerning the requirements and procedures for making, extending, changing and registering the collective labour agreement shall be regulated with a Ministerial Decision.

ARTICLE 134

In order to realize the rights and obligations of both the worker and the entrepreneur, the Government is under an obligation to control the implementation of manpower laws and regulations and ensure their observance and enforcement.

ARTICLE 135

The implementation of manpower laws and regulations in order to realize industrial relations is the responsibility of the worker/labourer, the entrepreneur and the government.

SECTION EIGHT

INSTITUTIONS/AGENCIES FOR THE SETTLEMENT OF INDUSTRIAL RELATIONS DISPUTES

SUBSECTION 1

INDUSTRIAL RELATIONS DISPUTE

ARTICLE 136

(1) The entrepreneur and the worker/labourer or the trade/labour union are under an obligation to make efforts to settle any industrial relations dispute they have through deliberations aimed at reaching a consensus.

(2) If the deliberations as mentioned under subsection (1) fail to reach a consensus, then the entrepreneur and the worker/labourer or the trade/labour union shall have the industrial relations dispute settled through procedures for the settlement of industrial relations disputes that are regulated by law.

SUBSECTION 2

STRIKE

ARTICLE 137

Strike is a fundamental right of workers/labourers and trade/labour unions that shall be staged legally, orderly and peacefully as a result of failed negotiation.

ARTICLE 138

(1) The workers/labourers and/or trade/labour unions intending to invite other workers/ labourers to strike whilst the strike is going on shall be performed without violating laws.

(2) The workers/labourers who are invited to join the strike as mentioned under subsection (1) may accept or decline the invitation.

ARTICLE 139

The implementation of strike staged by the workers/ labourers of enterprises that serve the public interest and/or enterprises whose types of activities, will lead to the endangerment of human lives, shall be arranged in such a way so as not to disrupt public interests and/or endanger the safety of other people.

ARTICLE 140

(1) Within a period of no less than 7 (seven) days prior to the actual realization of a strike, workers/ labourers and trade/ labour unions intending to stage a strike are under an obligation to give a written notification of the intention to the entrepreneur and the local government agency responsible for manpower affairs.

(2) The notification as mentioned under subsection (1) shall at least contain:

a. The time (day, date and the hour) at which they will start and end the strike;
b. The venue of the strike;
c. Their reasons for the strike; and
d. The signatures of the chairperson and secretary of the striking union and/or the signature of each of the chairpersons and secretaries of the unions participating in the strike, who shall be held responsible for the strike.

(3) If the strike is staged by workers/ labourers who are not members of any trade/labour union, the notification as mentioned under subsection (2) shall be signed by workers/labourers' representatives who have been appointed to coordinate and/or responsible for the strike.

(4) If a strike is performed not pursuant to the requirements as mentioned under subsection (1), then in order to save production equipment and enterprise assets, the entrepreneur may take temporary action by:

a. Prohibiting striking workers/labourers from being present at locations where production processes normally take place; or

b. Prohibiting striking workers/labourers from being present at the enterprise's premise if necessary.

ARTICLE 141

(1) A representative of the government agency and the management who receives the letter notifying the intention to strike as mentioned under Article 140 is under an obligation to issue a receipt of acknowledment.

(2) Prior to and during the strike, the government agency responsible for manpower affairs is under an obligation to solve problem that leads to the emergence of strike by arranging a meeting and negotiate between the disputing parties.

(3) If the discussion as mentioned under subsection (2) reaching an agreement, the agreement shall be made and signed by the parties and a responsibble official from the government agency responsible for manpower affairs shall serve as witness.

(4) In case the discussion as mentioned under subsection (2) results in no agreement, the official from the government agency responsible for manpower affairs shall immediately refer the problem(s) that cause(s) the strike to the authorized institution for the settlement of industrial relations disputes.

(5) In case the discussion results in no agreement as mentioned under subsection (4), then on the basis of negotiation between the entrepreneur and the trade/ labour union(s) responsible for the strike or the bearer(s) of responsibility for the strike, the strike may be continued or terminated temporarily or terminated at all.

ARTICLE 142

(1) Any strike that is staged without fulfilling the requirement under Article 139 and Article 140 is illegal.

(2) The legal consequences of staging an illegal strike as mentioned under subsection (1) shall be regulated with a Ministerial Decision.

ARTICLE 143

(1) Nobody is allowed to prevent workers/labourers and trade/ labour unions from using their right to strike legally, orderly and peacefully.

(2) It is prohibited to arrest and/or detain workers/labourers and union officials who are on strike legally, orderly and peacefully pursuant to the prevailing laws and regulations.

ARTICLE 144

In the event of a strike performed pursuant to Article 140, the entrepreneur is prohibited from:

a. Replacing striking workers/labourers with other workers/labourers from outside of the enterprise; or
b. Imposing sanctions on or taking retaliatory actions in whatever form against striking workers/labourers and union officials during and after the strike is performed.

ARTICLE 145

Workers/labourers who stage a strike legally in order to demand the fulfillment of their normative rights, which the entrepreneur has indeed violated, then they shall have their wages.

SUBSECTION 3
LOCKOUT

ARTICLE 146

(1) Lockout is a fundamental right of entrepreneurs to prevent their workforce either in part or in whole from performing work as a result from failed negotiation.

(2) Entrepreneurs are not justified to lock out their workforce as retaliation for normative demands raised by workers/ labourers and/or trade/ labour unions.

(3) Lockouts must be performed pursuant to the prevailing laws and regulations.

ARTICLE 147

Lockouts shall be prohibited from taking place at enterprises that serve the public interest and or enterprises whose types of activities, when interrupted by lockouts, will endanger human lives, including hospitals, enterprises that provide networks of clean water supply to the public, centers of telecommunications control, centers electricities, oil-and-gas processing industries, and trains.

ARTICLE 148

(1) An entrepreneur who intends to perform a lockout is under an obligation to give a written notification of the lockout to workers/ labourers and/or trade/ labour union and the local government agency responsible for manpower affairs of no less than 7 (seven) workdays before the lockout takes place.

(2) The lockout notification as mentioned under subsection (1) shall at least contain:

a. The time (day, date and hour) will start and end the lockout; and

b. The reason and cause for the lockout.

(3) The notification as mentioned under subsection (1) shall be signed by the entrepreneur and/or the management of the relevant enterprise.

ARTICLE 149

(1) Workers/labourers or trade/labour unions and government agencies responsible for manpower affairs that directly receive a written notification of the lockout as mentioned under Article 148 must issue receipts acknowledging which state the day, the date, and the hour received.

(2) Before and during the lockout, the government agency responsible for manpower affairs shall immediately try to solve the problem that causes of the lockout by arranging a meeting and between the disputing parties discussing.

(3) If the discussion as mentioned under subsection (2) reaching an agreement, an agreement shall be made and signed by the parties and also by a official from the government agency responsible for manpower affairs who shall serve as witness.

(4) In case the discussion as mentioned under subsection (2) results in no agreement, the official from the government agency responsible for manpower affairs shall immediately refer the problem that cause the strike to the authorized institution for the settlement of industrial relations disputes.

(5) In case the discussion results in no agreement as mentioned under subsection (4), then, on the basis of negotiation between the entrepreneur and the trade/ labour union, the lockout may be continued or terminated temporarily or terminated at all.

(6) Notification as mentioned under subsection (1) and subsection (2) of Article 148 is not needed if:

a. The workers/labourers or trade/labour unions violate the strike procedures as mentioned under Article 140;

b. The workers/labourers or trade/labour unions violate the normative provisions stipulated under the work agreements, company regulations, collective labour agreements or prevailing laws and regulations.

CHAPTER XII
TERMINATION OF EMPLOYMENT

ARTICLE 150

The provisions concerning termination of employment under this act shall cover termination of employment that happens in a business undertaking which is a legal entity or not, a business undertaking owned by an individual, by a partnership or by a legal entity, either owned by the private sector or by the State, as well as social undertakings and other undertakings which have administrators/officials and employ people by paying them wages or other forms of remuneration.

ARTICLE 151

(1) The entrepreneur, the worker/labourer and or the trade/ labour union, and the government must make all efforts to prevent termination of employment.

(2) If despite all efforts made termination of employment remains inevitable, then the intention to carry out the termination of employment must be negotiated between the entrepreneur and the trade/labour union to which the affected worker/labourer belongs as member, or between the entrepreneur and the worker/labourer to be dismissed if the worker/labourer is not a union member.

(3) If the negotiation as mentioned under subsection (2) fails to result in any agreement, the entrepreneur may only terminate the employment of the worker/labourer after receiving a decision from the institution for the settlement of industrial relations disputes.

ARTICLE 152

(1) A request for a decision of the institution for the settlement of industrial relations disputes to allow termination of employment shall be addressed in writing to the institution by stating the underlying reasons for the request.

(2) The request for such a decision as mentioned under subsection (1) may be accepted by the institution for settlement of industrial relations disputes if it has been negotiated as mentioned under subsection (2) of Article 151.

(3) The decision on the request for termination of employment can only be made by the institution for the settlement of industrial relations disputes if it turns out that the intention to carry out the termination of employment has been negotiated but that the negotiation results in no agreement.

ARTICLE 153

(1) The entrepreneur is prohibited from terminating the employment of a worker/ labourer because of the following reasons:

a. The worker/labourer is absent from work because of illness as attested by a written statement from the doctor provided that it is for a period of longer than 12 (twelve) months consecutively;
b. The worker/labourer is absent from work because he or she is fulfilling his or her obligations to the State in accordance with the prevailing laws and regulations;
c. The worker/labourer is absent from work because he or she is practicing what is required by his or her religion;
d. The worker/labourer is absent from work because he or she is getting married;
e. The worker/labourer is absent from work because she is pregnant, giving birth, having a miscarriage, or breast-feeding her baby;
f. The worker/labourer is related by blood and or through marriage to another worker within the enterprise unless so required in the collective labour agreement or the company regulations;
g. The worker/labourer establishes, becomes a member of and or an official of a trade/labour union; the worker/ labourer carries out trade/labour union activities outside working hours, or during working hours with approval from the entrepreneur, or according to that which has been stipulated in the work agreement, or the company regulations, or the collective labour agreement;
h. The worker/labourer reports to the authorities the crime committed by the entrepreneur;
i. Because different of understanding/belief, religion, political orientation, ethnicity, color, race, sex, physical condition or marital status;
j. The worker/labourer is permanently disabled, ill as a result of a work accident, or ill because of an occupational disease whose period of recovery cannot be ascertained as attested by the written statement made by the physician.

(2) Any termination of employment that takes place for reasons mentioned under subsection (1) shall be declared null and void by law. The entrepreneur shall then be obliged to reemploy the affected worker/labourer.

ARTICLE 154

The decision of the institute for the settlement of industrial relations disputes as mentioned under subsection (3) of Article 151 is not needed if:

a. The affected worker/ labourer is still on probation provided that such has been stipulated in writing beforehand;
b. The affected worker/ labourer makes a written request for resignation at his/her own will with no indication of being pressurized or intimidated by the entrepreneur; or the employment relationship comes to an end according to the work agreement for a specified time for the first time;
c. The affected worker/ labourer has reached a retirement age as stipulated under the work agreement, company regulations, collective labour agreements, or laws and regulations; or
d. The affected worker/labourer dies.

ARTICLE 155

(1) Any termination of employment without the decision of the institution for the settlement of industrial relations disputes as mentioned under subsection (3) of Article 151 shall be declared null and void by law.

(2) As long as there is no decision from the institution for the settlement of industrial relations disputes, the entrepreneur and the worker/labourer must keep on performing their obligations.

(3) The entrepreneur may violate the provision under subsection (2) above by suspending the worker/labourer who is still in the process of having his/her employment terminated provided that the entrepreneur continues to pay the worker/labourer's wages and other entitlements that worker/labourer normally receives.

ARTICLE 156

(1) Should termination of employment take place, the entrepreneur is obliged to pay the dismissed worker severance pay and or a sum of money as a reward for service rendered during his or her term of employment and compensation pay for rights or entitlements.

The calculation of severance pay as mentioned under subsection (1) shall at least be as follows:

a. 1 (one)-month wages for years of employment less than 1 (one) year;
b. 2 (two)-month wages for years of employment up to 1 (one) year or more but less than 2 (two) years;
c. 3 (three)-month wages for years of employment up to 2 (two) years or more but less than 3 (three) years;

d. 4 (four)-month wages for years of employment up to 3 (three) years or more but less than 4 (four) years;
e. 5 (five)-month wages for years of employment up to 4 (four) years or more but less than 5 (five) years;
f. 6 (six)-month wages for years of employment up to 5 (five) years or more but less than 6 (six) years;
g. 7 (seven)-month wages for years of employment up to 6 (six) years or more but less than 7 (seven) years;
h. 8 (eight)-month wages for years of employment up to 7 (seven) years or more but less than 8 (eight) years;
i. 9 (nine)-month wages for years of employment up to 8 (eight) years or more.

(2) The calculation of the sum of money paid as reward for service rendered during the worker/ labourer's term of employment shall be determined as follows:

a. 2 (two)-month wages for years of employment up to 3 (three) years or more but less than 6 (six) years;
b. 3 (three)-month wages for years of employment up to 6 (six) years or more but less than 9 (nine) years;
c. 4 (four)-month wages for years of employment up to 9 (nine) years or more but less than 12 (twelve) years;
d. 5 (five)-month wages for years of employment up to 12 (twelve) years or more but less than 15 (fifteen)years;
e. 6 (six)-month wages for years of employment up to15 (fifteen) years or more but less than 18 (eighteen) years;
f. 7 (seven)-month wages for years of employment up to 18 (eighteen) years but less than 21 (twenty one) years;
g. 8 (eight)-month wages for years of employment up to 21 (twenty one) years but less than 24 (twenty four) years;
h. 10 (ten)-month wages for years of employment up to 24 (twenty four) years or more.

(3) The compensation pay that the dismissed worker/ labourer ought to have as mentioned under subsection (1) shall include:

a. Annual leaves that have not expired and not have taken;
b. Costs or expenses for transporting the worker/ labourer and his or her family back to the point of hire;
c. Compensation for housing allowance, medical and health care allowance is determined at 15% (fifteen percent) of the severance pay and or reward for years of service pay for those who are eligible;
d. Other compensations that are stipulated under the work agreement, company regulations or collective labour agreements.

(4) Changes concerning the calculation of the severance pay, the sum of money paid as reward for service during term of employment and the compensation pay that the worker/ labourer ought to have as mentioned under subsection (2), subsection (3), and subsection (4) shall be regulated with a Government Regulation.

ARTICLE 157

(1) Wages components used as the basis for calculating severance pay, money paid as reward for service rendered, and money paid to compensate for entitlements that should have been received, which are deferred, are composed of:

a. Basic wages;
b. All forms of fixed allowances that are provided to workers/ labourers and their families, including the price of buying ration provided to the worker/ labourer free of change whereby if the ration must be paid by workers/ labourers with subsidies, the difference between the buying price of the ration and the price that must be paid by the worker/ labourer shall be considered as wage.

(2) In case the worker/ labourer's wages is paid on the basis of daily calculation, a one-month wage shall be equal to 30 times a one-day wage.

(3) In case the worker/ labourer's wage is paid on a piece-rate or commission basis, a day's wage shall equal the average daily wage for the last 12 (twelve) months on the condition that the wages must not be less than the provisions for the provincial or district/ city minimum wages.

(4) In case the work depends on the weather and the wage is calculated on a piece-rate basis, the amount of one month's wages shall be calculated from the average wages in the last 12 (twelve) months.

ARTICLE 158

(1) An entrepreneur may terminate the employment of a worker/labourer because the worker/labourer has committed the following grave wrongdoings:

a. Stolen or smuggled goods and/or money that belong to the enterprise;
b. Given false or falsified information that causes the enterprise to incur losses;
c. Drunk, drunken intoxicating alcoholic drinks, consumed and or distributed narcotics, psychotropic substances and other addictive substances in the working environment;
d. Committed immorality/indecency or gambled in the working environment;

e. Sttacked, battered, threatened, or intimidated his or her co-workers or the entrepreneur in the working environment.
f. Persuaded his or her co-workers or the entrepreneur to do something that against laws and regulations.
g. Carelessly or intentionally destroyed or let the property of the entrepreneur exposed to danger, which caused the enterprise to incur losses;
h. Intentionally or carelessly let his or her co-workers or the entrepreneur exposed to danger in the workplace;
i. Unveiled or leaked the enterprise's secrets, which is supposed to keep secret unless otherwise required by the State; or
j. Committed other wrongdoings within the working environment, which call for imprisonment for 5 (five) years or more.

(2) The grave wrongdoings as mentioned under subsection (1) must be supported with the following evidence:

a. The worker/labourer is caught red-handed;
b. The worker/labourer admits committed a wrongdoing; or
c. Other evidence in the form of reports of events made by the authorities at the enterprises and confirmed by no less than 2 (two) witnesses.

(3) Workers/labourers whose employment is terminated because of reasons as mentioned under subsection (1) may receive compensation pay for entitlements as mentioned under subsection (4) of Article 156.

(4) Workers/ labourers as mentioned under subsection (1) whose duties and functions do not directly represent the interest of the entrepreneur shall be given detachment money whose amount and the procedures or methods associated with its payment shall be determined and stipulated in the work agreements, company regulations, or collective labour agreements.

ARTICLE 159

If the worker/labourer is unwilling to accept the termination as mentioned under subsection (1) of article 158, the worker/labourer may file a suit to the institution for the settlement of industrial relations disputes.

ARTICLE 160

(1) In case the worker/labourer is detained by the authorities because he or she is alleged to have committed a crime and this happens *not because of the complaint filed by the entrepreneur*, the entrepreneur is not obliged to pay the worker/labourer's wages but is obliged to provide assistance to the family who are his or her dependents according to the following provisions:

a. For 1 (one) dependent, the entrepreneur is obliged to pay 25% (twenty-five percent) of the worker/labourer's wages.
b. For 2 (two) dependents, the entrepreneur is obliged to pay 35% (thirty-five percent) of the worker/ labourer's wages.
c. For 3 (three) dependents, the entrepreneur is obliged to pay 45% (fourty-five percent) of the worker/ labourer's wages.
d. For 4 (four) dependents or more, the entrepreneur is obliged to pay 50% (fifty percent) of the worker/ labourer's wages.

(2) The assistance as mentioned under subsection (1) shall be provided for no longer than 6 (six) months of calendar year starting from the first day the worker/labourer is detained by the authorities.

(3) The entrepreneur may terminate the employment of the worker/labourer who after the passing of 6 (six) months are unable to perform his or her work as worker/labourer because of the legal process associated with the legal proceedings as mentioned under subsection (1).

(4) In case the court decides the case prior to the passing of 6 (six) months as mentioned under subsection (3) and the worker/labourer is declared not guilty, the entrepreneur is obliged to reemploy the worker/labourer.

(5) In case the court decides the case prior to the passing of 6 (six) months and the worker/labourer is declared guilty, the entrepreneur may terminate the employment of the worker/labourer.

(6) The termination of employment as mentioned under subsection (3) and subsection (5) is carried out without the decision of the institution for the settlement of industrial relations disputes.

(7) The entrepreneur is obliged to pay to the worker/labourer whose employment is terminated as mentioned under subsection (3) and subsection (5) reward pay for service rendered during his/her period of employment 1 (one) time of what is stipulated under subsection (3) of Article 156 and compensation pay that the worker/ labourer ought to have as mentioned under subsection (4) of Article 156.

ARTICLE 161

(1) In case the worker/labourer violates the provisions that are specified under work agreement, the company regulations, or the collective labour agreement, the entrepreneur may terminate the employment after the entrepreneur precedes it with the issuance of the first, second and third warning letters consecutively.

(2) Each warning letter issued as mentioned under subsection (1) shall expire after 6 (six) months unless otherwise stated in the work agreement or the company regulations or the collective labour agreement.

(3) Workers/labourers whose employment is terminated for reasons as mentioned under subsection (1) shall be entitled to severance pay amounting to 1 (one) time of the amount of severance pay stipulated under subsection (2) of Article 156, reward pay for period of employment amounting to 1 (one) time of the amount stipulated under subsection (3) of Article 156, and compensation pay for entitlements according to the provision under subsection (4) of Article 156.

ARTICLE 162

(1) Worker/labourer who resign on his/her own will, shall be entitled to compensation pay in accordance with subsection (4) of Article 156.

(2) Workers/labourers who resign of their own will, whose duties and functions do not directly represent the interest of the entrepreneur shall, in addition to the compensation pay payable to them according to subsection (4) of Article 156, be given detachment money whose amount and the procedures/methods associated with its payment shall be regulated in the work agreements, company regulations or collective labour agreements.

(3) A worker/labourer who resigns as mentioned under subsection (1) must fulfill the following requirements:

a. Submit a resignation letter no later than 30 (thirty) days prior to the date of resignation;
b. Not being bound by a contract to serve the enterprise;and
c. Continue to carry out his or her obligations until the date of his or her resignation.

(4) Termination of employment for the reason of own will resignation shall be carried out without the decision of the institution for the settlement of industrial relations disputes.

ARTICLE 163

(1) The entrepreneur may terminate the employment of his or her workers/labourers in the event of change in the status of the enterprise, merger, fusion, or change in the ownership of the enterprise and the workers/labourers are not willing to continue their employment, the worker/ labourer shall be entitled to severance pay 1 (one) time the amount of severance pay stipulated under subsection (2) of Article 156, reward pay for period of employment 1 (one) time the amount stipulated under subsection (3) of Article 156, and compensation pay for entitlements that have not been used according to what is stipulated under subsection (4) of Article 156.

(2) The entrepreneur may terminate the employment of his or her workers/labourers in the event of change in the status of the enterprise, merger, fusion, or change in the ownership of the enterprise and the entrepreneur is not willing to accept the workers/labourers to work in the new enterprise. The worker/labourer shall be entitled to severance pay twice the amount of severance pay stipulated under subsection (2) of Article 156, reward pay for period of employment 1 (one) time the amount stipulated under subsection (3) of Article 156, and compensation pay for entitlements according to what is stipulated under subsection (4) of Article 156.

ARTICLE 164

(1) The entrepreneur may terminate the employment of workers/labourers because the enterprise has to be closed down due to continual losses for 2 (two) years consecutively or force majeure. The workers/labourers shall be entitled to severance pay amounting to 1 (one) time the amount of severance pay stipulated under subsection (2) of Article 156, reward pay for period of employment amounting to 1 (one) time the amount stipulated under subsection (3) of Article 156 and compensation pay for entitlements according to subsection (4) of Article 156.

(2) The continual losses as referred under subsection (1) must be proved in the enterprise's financial reports over the last 2 (two) years that have been audited by public accountants.

(3) The entrepreneur may terminate the employment of its workers/labourers because the enterprise has to be closed down and the closing down of the enterprise is caused neither by continual losses for 2 (two) years consecutively nor force majeure but because of rationalization. The workers/labourers shall be entitled to severance pay twice the amount of severance pay stipulated under subsection (2) of Article 156, reward for period of employment pay amounting to 1 (one) time the amount stipulated under subsection (3) of Article 156 and compensation pay for entitlements according to subsection (4) of Article 156.

ARTICLE 165

The entrepreneur may terminate the employment of the enterprise's workers/labourers because the enterprise goes bankrupt. The workers/labourers shall be entitled to severance pay amounting to 1 (one) time the amount of severance pay stipulated under subsection (2) of Article 156, reward pay for period of employment amounting to 1 (one) time the amount stipulated under subsection (3) of Article 156 and compensation pay for entitlements according to subsection (4) of Article 156.

ARTICLE 166

If an employment relationship comes to an end because the worker/ labourer dies, to the worker's heirs shall be given a sum of money whose amount shall be the same as twice the amount of severance pay as stipulated under subsection (2) of Article 156, reward pay for period of employment worked by the worker/ labourer amounting to 1 (one) time the amount stipulated under subsection (3) of Article 156 and compensation pay for entitlements according to subsection (4) of Article 156.

ARTICLE 167

(1) An entrepreneur may terminate the employment of its workers/labourers because they enter pension age, entrepreneur has included the workers/labourers in a retirement benefit program, the workers/labourers are not entitled to severance pay according to what is stipulated under subsection (2) of Article 156, reward pay for period of employment in accordance with what is stipulated under subsection (3) of Article 156, and compensation pay for entitlements according to subsection (4) of Article 156.

(2) If the amount of retirement benefit that they get as a single lump-sum payment as a result of their participation in a pension program as mentioned under subsection (1) turns out to be lower than twice the amount of the severance pay stipulated under subsection (2) of Article 156, reward pay for period of employment in accordance with what is stipulated under subsection (3) of Article 156, and compensation pay for entitlements according to subsection (4) of Article 156, the entrepreneur shall pay the difference.

(3) If the entrepreneur has included the worker/labourer in a pension program whose contributions/premiums are paid by the entrepreneur and the worker/labourer, then that which is calculated with the severance pay shall be the pension whose contributions/premiums have been paid by the entrepreneur.

(4) Arrangements other than what is stipulated under subsection (1), subsection (2) and subsection (3) may be made in the work agreement or company regulations or collective labour agreements.

(5) If the entrepreneur does not include workers/labourers whose employment is terminated because they enter pension age in a pension program, the entrepreneur is obliged to pay them severance pay twice the amount of severance pay as stipulated under subsection (2) of Article 156, reward pay for period of employment amounting to 1 (one) time the amount stipulated under subsection (3) of Article 156 and compensation pay for entitlements according to subsection (4) of Article 156.

(6) The worker/labourer's entitlement to retirement benefit as mentioned under subsection (1), subsection (2) and subsection (3) shall not eliminate their entitlement to the old age benefit that is compulsory according to prevailing laws and regulations.

ARTICLE 168

(1) An entrepreneur may terminate the employment of a worker/labourer if the worker/labourer has been absent from work for 5 (five) workdays or more consecutively without submitting to the entrepreneur a written explanation supplemented with valid evidence and the entrepreneur has properly summoned him or her twice in writing, by qualify the worker/labourer as resigning.

(2) The written explanation supplemented with valid evidence as mentioned under subsection (1) must be submitted at the latest on the first day on which the worker/labourer comes back to the workplace.

(3) In the event of the termination of employment as mentioned under subsection (1), the worker/labourer shall be entitled to compensation pay for her/his entitlements according to subsection (4) of Article 156 and they shall be given detachment money whose amount and the procedures and methods associated with its payment shall be regulated in the work agreements, company regulations, or collective labour agreements.

ARTICLE 169

(1) A worker/labourer may file an official request to the institution for the settlement of industrial relations disputes to terminate his/her employment relationship with his/her entrepreneur if:

a. Battered, rudely humiliated or intimidated worker/ labourer;
b. Persuaded and/or ordered the worker/labourer to commit acts that against statutory laws and regulations;
c. Not paid wages at a prescribed time for three months consecutively or more;
d. Not performed obligations promised to workers/ labourers;
e. Orders the worker/labourer to perform work outside of that which has been agreed upon; or
f. Ordered the worker/labourer to carry out work that endangered life, safety, health and morality of the worker/labourer which is not mentioned in the work agreement.

(2) The termination of employment because of reasons as mentioned under subsection (1), the worker/ labourer is entitled to receive severance pay amounting to twice the amount of severance pay stipulated under subsection (2) of Article 156, reward pay amounting to 1 (one) time the amount of reward pay for period of employment worked stipulated under subsection (3) of Article 156 and compensation pay for entitlements according to subsection (4) of Article 156.

(3) In case the entrepreneur is found not guilty of committing the acts mentioned under subsection (1) by the institution for the settlement of industrial relations disputes, the entrepreneur may terminate the employment of the worker/ labourer without having the decision of the institution for the settlement of industrial relations disputes and the worker/ labourer in question is not entitled to severance pay as mentioned under subsection (2) of Article 156 and reward pay for period of employment worked as mentioned under subsection (3) of Article 156.

ARTICLE 170

Any termination of employment that is carried out without fulfilling subsection (3) Article 151 and Article 168 except subsection (1) of Article 158, subsection (3) of Article 160, Article 162, and Article 169 shall be declared null and void by law and the entrepreneur is obliged to reemploy the worker/ labourer and pay all the wages and entitlements which the worker/ labourer should have received.

ARTICLE 171

If workers/labourers whose employment is terminated without the decision of the institution for the settlement of industrial relations disputes as mentioned under *subsection (1) of Article 158*, subsection (3) of Article 160 and Article 162 cannot accept the termination of their employment, the workers/ labourers may file a lawsuit to the institution for the settlement of industrial relations disputes within a period of no later than 1 (one) year since the date on which their employment was terminated.

ARTICLE 172

Workers/labourers who are continuously ill for a very long time, who are disabled as a result of a work accident and are unable to perform their work may, after they have been in such a condition for more than the absenteeism limit of 12 (twelve) months consecutively, request that their employment be terminated upon which they shall be entitled to receive severance pay amounting to twice the amount of severance pay stipulated under subsection (2) of Article 156, reward pay for the period of employment they have worked amounting to twice the amount of such reward pay stipulated under subsection (3) of Article 156, and compensation pay amounting to one time the amount of that which is stipulated under subsection (4) of Article 156.

CHAPTER XIII
MANPOWER DEVELOPMENT

ARTICLE 173

(1) The goverment shall make efforts to develop and build up elements and activities related to manpower.

(2) The efforts to develop manpower-related elements and activities as mentioned under subsection (1) may invite participation of entrepreneurs' organizations, trade/labour unions and other related organizations of professions.

(3) The efforts to develop manpower as mentioned under subsection (1) and subsection (2) shall be carried out in a well-integrated and well-coordinated way.

ARTICLE 174

For the purpose of manpower development, the government, associations of entrepreneurs, trade/ labour unions and other professions organizations may establish international cooperation in the field of labour according to the prevailing laws and regulations.

ARTICLE 175

(1) The government may award persons or institutions that have done meritorious service in the field of manpower development.

(2) The award as mentioned under subsection (1) may be given in the form of a charter, money and or other forms of reward.

CHAPTER XIV
LABOUR INSPECTION

ARTICLE 176

Labour inspection shall be carried out by government labour inspectors who have the competence and independency to ensure the implementation of the labour laws and regulations.

ARTICLE 177

The labour inspectors as mentioned under Article 176 shall be determined by Minister or appointed officials.

ARTICLE 178

(1) Labour inspection shall be carried out by a separate working unit of a government agency whose scope of duty and responsibility are in the field of labour at the Central Government, Provincial Governments and District/ City Governments.

(2) The implementation of labour inspection as mentioned under subsection (1) shall be regulated further with a Presidential Decision.

ARTICLE 179

(1) The working units for labour inspection as mentioned under Article 178 at the Provincial Governments and District/City Governments are obliged to submit reports on the implementation of labour inspection to Minister.

(2) Procedures for submitting the reports as mentioned under subsection (1) shall be regulated with a Ministerial Decision.

ARTICLE 180

Provisions concerning the requirements for the appointment of, the rights and obligations of, the authority of, labour inspectors as mentioned under Article 176 pursuant to the prevailing laws and regulations.

ARTICLE 181

In carrying out their duties as mentioned under Article 176, labour inspectors are obliged:

a. To keep secret everything that, by its nature, needs or is worthy to be kept secret;
b. To refrain from abusing their authority.

CHAPTER XV
INVESTIGATION

ARTICLE 182

(1) Special authority to act as civil servant investigators may also be given, in addition to the one assigned to the investigating officials of the Police of the State of the Republic of Indonesia, to labour inspectors in accordance with the prevailing laws and regulations.

(2) The civil servant investigators as mentioned under subsection (1) shall have the authority:

   a. To examine whether or not reports and explanation about labour crimes are true;
   b. To investigate individuals suspected of having committed a labour crime;
   c. To require explanations and evidences from persons or legal entity considered to be relevant to the labour crime being investigated;
   d. To examine or confiscate objects or evidences found in a case of labour crime;
   e. To examine papers and/or other documents related with labour crimes;
   f. To request the help of experts in performing labour-related criminal investigations; and
   g. To stop investigation if there is not enough evidence to prove that a labour crime has been committed.

(3) The authority of civil servant investigators as mentioned under subsection (2) shall be exercised in accordance with the prevailing laws and regulations.

CHAPTER XVI

CRIMINAL PROVISIONS AND ADMINISTRATIVE SANCTIONS

SECTION ONE

CRIMINAL PROVISIONS

ARTICLE 183

(1) Whosoever violates the provision under Article 74 shall be subjected to a criminal sanction in jail for a minimum of 2 (two) years and a maximum of 5 (five) years and/or a fine of a minimum of Rp200,000,000 (two hundred million rupiah) and a maximum of Rp500,000,000 (five hundred million rupiah).

(2) The criminal action mentioned under subsection (1) shall be legally categorized as a felony.

ARTICLE 184

(1) Whosoever violates what is mentioned under subsection (5) of Article 167 shall be subjected to a criminal sanction in jail for a minimum of 1 (one) year and a maximum of 5 (five) years and or a fine of a minimum of Rp100,000,000 (one hundred million rupiah) and a maximum of Rp500,000,000 (five hundred million rupiah).

(2) The criminal action mentioned under subsection (1) shall be legally categorized as a felony.

ARTICLE 185

(1) Whosoever violates what is stipulated under subsection (1) and subsection (2) of Article 42, Article 68, subsection (2) of article 69, Article 80, Article 82, subsection (1) of Article 90, Article 139, Article 143, and subsection (4) and subsection (7) of Article 160 shall be subjected to a criminal sanction in jail for a minimum of 1 (one) year and a maximum of 4 (four) years and/or a fine of a minimum of Rp100,000,000 (one hundred million rupiah) and a maximum of Rp400,000,000 (four hundred million rupiah).

(2) The criminal action mentioned under subsection (1) shall be legally categorized as a felony.

ARTICLE 186

(1) Whosoever violates what is stipulated under subsection (2) and subsection (3) of Article 35, subsection (2) of Article 93, *Article 137, and subsection (1) of Article 138* shall be subjected to a criminal sanction in jail for a minimum of 1 (one) month and a maximum of 4 (four) years and/or a fine of a minimum of Rp10,000,000 (ten million rupiah) and a maximum of Rp400,000,000 (four hundred million rupiah).

(2) The criminal action mentioned under subsection (1) shall be legally categorized as a misdemeanor.

ARTICLE 187

(1) Whosoever violates what is stipulated under subsection (2) of Article 37, subsection (1) of Article 44, subsection (1) of Article 45, subsection (1) of Article 67, subsection (2) of Article 71, Article 76, subsection (2) of Article 78, subsection (1) and subsection (2) of Article 79, subsection (3) of Article 85, and Article 144 shall be subjected to a criminal sanction in prison for a minimum of 1 (one) month and a maximum of 12 (twelve) months and/or a fine of a minimum of Rp10,000,000 (ten million rupiah)and a maximum of Rp100,000,000 (one hundred million rupiah).

(2) The criminal action mentioned under subsection (1) shall be legally categorized as a misdemeanor.

ARTICLE 188

(1) Whosoever violates what is stipulated under subsection (2) of Article 14, subsection (2) of Article 38, subsection (1) of Article 63, subsection (1) of Article 78, subsection (1) of Article 108, subsection (3) of Article 111, Article 114, and Article 148 shall be subjected to a criminal sanction in the form of a fine of a minimum of Rp5,000,000 (five million rupiah) and a maximum of Rp50,000,000 (fifty million rupiah).

(2) The criminal action mentioned under subsection (1) shall be legally categorized as a misdemeanor.

ARTICLE 189

Sanctions imposed on entrepreneurs in the form of a jail, prison sentence and/or a fine do not release the entrepreneurs from their obligations to pay entitlements and/or compensations to the workers/ labourers.

SECTION TWO
ADMINISTRATIVE ASNCTIONS

ARTICLE 190

(1) Minister or appointed official shall impose administrative sanctions because of violations under Article 5, Article 6, Article 15, Article 25, subsection (2) of Article 38, subsection (1) of Article 45, subsection (1) of Article 47, Article 48, Article 87, Article 106, subsection (3) of Article 126, and subsection (1) and subsection (2) of Article 160 of this act and its implementing regulations.

The administrative sanctions as mentioned under subsection (1) may take the form of:

a. A rebuke;
b. A written warning;
c. restrict/limit the business activities of the affected enterprise;
d. freeze the business activities of the affected enterprise;
e. Cancellation of approval;
f. Cancellation of registration;
g. Temporar y termination of partial or the whole production tools/instruments;
h. Abolishment/revocation of license or permission to operate.

(2) The provisions concerning administrative sanctions as mentioned under subsection (1) and subsection (2) shall be regulated further by Minister.

CHAPTER XVII

TRANSITIONAL PROVISIONS

ARTICLE 191

All implementing regulations that regulate manpower affairs shall remain effective as long as they do not against and/ or have not been replaced by the new regulations made based on this act.

CHAPTER XVIII

CLOSING PROVISIONS

ARTICLE 192

At the time this act starts to take effect, then:

1. Ordinance concerning the Mobilization of Indonesian People To Perform Work Outside of Indonesia (*Staatsblad* Year 1887 Number 8);
2. Ordinance dated December 17, 1925, which is a regulation concerning Restriction of Child Labour and Night Work for Women (*Staatsblad* Year 1925 Number 647);
3. Ordinance Year 1926, which is a regulation which regulates the Employment of Child and Youth on Board of A Ship (*Staatsblad* Year 1926 Number 87);
4. Ordinance dated May 4, 1936 concerning Ordinance To Regulate Activities To Recruit Candidates/ Prospective Workers (*Staatsbald* Year 1936 Number 208);

5. Ordinance concerning the Repatriation of Labourers Who Come From or Are Mobilized From Outside of Indonesia (*Staatsblad* Year 1939 Number 545);
6. Ordinance Number 9 Year 1949 concerning Restriction of Child Labour (*Staatsblad* Year 1949 Number 8);
7. Act Number 1 Year 1951 concerning the Declaration of the Enactment of Employment Act Year 1948 Number 12 From the Republic of Indonesia For All Indonesia (StateGazette Year 1951 Number 2);
8. Act Number 21 Year 1954 concerning Labour Agreement Between Labour Union and Employer (State Gazette Year 1954 Number 69, Supplement to State Gazette Number598a);
9. Act Number 3 Year 1958 concerning the Placement of Foreign Workers (State Gazette Year 1958 Number 8);
10. Act Number 8 Year 1961 concerning Compulsory Work for University Graduates Holding Master's Degree (State Gazette Year 1961 Number 207, Supplement to State Gazette Number 2270);
11. Act Number 7 Year 1963 Serving as the Presidential Resolution on the Prevention of Strike and/or Lockout at Vital Enterprises, Government Agencies In Charge of Public Service and Agencies (State Gazette Year 1963 Number 67);
12. Act Number 14 Year 1969 concerning Fundamental Provisions concerning Manpower (State Gazette Year 1969 Number 55, Supplement to State Gazette Number 2912);
13. Act Number 25 Year 1997 concerning Manpower (State Gazette Year 1997 Number 73, Supplement to State Gazette Number 3702);
14. Act Number 11 Year 1998 concerning the Change in the Applicability of Act Number 25 Year 1997 concerning Manpower (State Gazette Year 1998 Number 184, Supplement to State Gazette Number 3791);
15. Act Number 28 Year 2000 concerning the Establishment of Government Regulation in lieu of Law Number 3 Year 2000 concerning Changes to Act Number 11 Year 1998 concerning the Change in the Applicability of Act Number 25 Year 1997 concerning Manpower into Act (State Gazette Year 2000 Number 204, Supplement to State Gazette Number 4042)

shall herewith be declared null and void.

ARTICLE 193

This act shall be effective upon the date of its promulgation. For the cognizant of the public, orders the promulgation of this act by having it place on the State Gazette of the Republic of Indonesia.

Legalized in Jakarta
On 25 March, 2003

PRESIDENT OF THE REPUBLIC OF INDONESIA

ttd.

MEGAWATI SOEKARNOPUTRI

Promulgated in Jakarta
On 25 March, 2003

STATE SECRETARY OF
THE REPUBLIC OF INDONESIA

ttd.

BAMBANG KESOWO

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 39 OF 2003

EXPLANATORY NOTES ON THE ACT OF THE REPUBLIC OF INDONESIA NUMBER 13 OF THE YEAR 2003

CONCERNING MANPOWER AFFAIRS

I. GENERAL

Manpower development as an integral part of the national development based on the Pancasila *and the 1945 Constitution shall be carried out within the framework of building up Indonesian as fully integrated human beings and the overall, integrated development of Indonesia's society in order to enhance the dignity, values and status of manpower and to create a prosperous, just and well-off society in which material and spiritual benefits are evenly distributed.*

Manpower development must be regulated in such a way so as to fulfill the rights of and to provide basic protection to manpower and workers/ labourers and at the same time to be able to create conducive conditions for the development of the world of business.

Manpower development has many dimensions and interconnectivity. The interconnectivity is not only related to the interests of the workforce during, prior to and after the term of employment but also related to the interests of the entrepreneur, the government and the public. Therefore, comprehensive and all-inclusive arrangements are needed. And this shall include, among others, the development of human resources, improvement of productivity and competitiveness of Indonesian manpower, efforts to extend job opportunities, job placement service, and industrial relations development.

Industrial relations development as part of manpower development must be directed to keep on realizing industrial relations that are harmonious, dynamic and based on justice. For this purpose, recognition and appreciation of human rights as stated under the Decree of the People's Consultative Assembly Number XVII of 1998 (TAP MPR NO. XVII/MPR/1998) must be realized. As far as manpower business is concerned, this MPR decree serves as a chief milestone in promoting and upholding democracy in the workplace. It is expected that the implementation of democracy in the workplace will encourage optimal participation from all manpower and workers/ labourers of Indonesia to build the aspired State of Indonesia.

Some prevailing laws and regulations concerning manpower that has been ongoing thus far, including parts that are of colonial products, put workers in a less advantageous position especially when it comes to job placement service and industrial relations system that put too much emphasis on differences of positions and interests so that they are no longer suitable for today's needs as well as for future demands. The said statutory legislations are:

- *Ordinance concerning the Mobilization of Indonesian People To Perform Work Outside of Indonesia (*Staatsblad *Year1887 Number 8);*
- *Ordinance dated December 17, 1925, which is a regulation concerning the Imposition of Restriction on Child Labour and Night Work for Women (*Staatsblad *Year 1925 Number 647);*
- *Ordinance Year 1926, which is a regulation concerning Child and Youth Labour on Board of A Ship (*Staatsblad *Year 1926 Number 87);*

- *Ordinance dated May 4, 1936 concerning Ordinance To Regulate Activities To Recruit Candidates (*Staatsblad *Year 1936 Number 208);*
- *Ordinance concerning the Repatriation of Labourers Who Come From or Are Mobilized From Outside of Indonesia (*Staatsblad *Year 1939 Number 545);*
- *Ordinance Number 9 Year 1949 concerning Restriction of Child Labour(*Staatsblad *Year 1949 Number 8);*
- *Act Number 1 Year 1951 concerning the Declaration of the Enactment of Employment Act Year 1948 Number 12 From the Republic of Indonesia For All Indonesia (State Gazette Year 1951 Number 2);*
- *Act Number 21 Year 1954 concerning Labour Agreement Between Labour Union and Employer (State Gazette Year 1954 Number 69, Supplement to State Gazette Number 598a);*
- *Act Number 3 Year 1958 concerning the Placement of Foreign Manpower (State Gazette Year 1958 Number 8);*
- *Act Number 8 Year 1961 concerning Compulsory Work for University Graduates Holding Master's Degree (State Gazette Year 1961 Number 207, Supplement to State Gazette Number 2270);*
- *Act Number 7 of the Year 1963 serving as the Presidential Resolution on Prevention of Strike and or Lockout at Vital Enterprises, Government Agencies In Charge of Public Service and Agencies (State Gazette Year 1963 Number 67);*
- *Act Number 14 Year 1969 concerning Fundamental Provisions concerning Manpower (State Gazette Year 1969 Number 55, Supplement to State Gazette Number 2912);*
- *Act Number 25 Year 1997 concerning Manpower (State Gazette of the Republic of Indonesia Year 1997 Number 73, Supplement to State Gazette of the Republic of Indonesia Number 3702);*
- *Act Number 11 Year 1998 concerning the Change in the Applicability of Act Number 25 Year 1997 concerning Manpower (State Gazette Year 1998 Number184, Supplement to State Gazette Number 3791);*
- *Act Number 28 Year 2000 concerning the Establishment of Government Regulation in lieu of Law Number 3 Year 2000 concerning Changes to Act Number 11 Year 1998 concerning the Change in the Applicability of Act Number 25 Year 1997 concerning Manpower into Act (State Gazette Year 2000 Number 204, Supplement to State Gazette Number 4042).*

The above-mentioned statutory legislations are considered necessary to be revoked and replaced by a new act. Relevant provisions of the old statutory rules and regulations are accommodated under this manpower act. Implementing regulations from the abolished acts shall remain effective until new implementing regulations are established to replace them.

This act does not only abolish rules, regulations and provisions that are no longer suitable/ relevant in the manpower context of today but also accommodate very fundamental changes in all aspects of the life of Indonesian as a nation that started with the 1998 reformation era.

At international labour forums, fundamental human rights in the workplace are recognized through the 8 (eight) core conventions of the International Labour Organization (ILO). These core conventions are basically made up of four groups:

- *Freedom of Association (ILO Conventions No. 87 and 98);*
- *Prohibition against Discrimination (ILO Conventions No. 100 and 111);*
- *Abolition of Forced Labour (ILO Conventions No. 29 and 105);*

- *Minimum Age for Admission to Employment (ILO Convention No. 138 and No. 182).*

Indonesian, as a nation, is committed to the recognition and appreciation of fundamental human rights in the workplace. This has been realized, among others, through the ratification of the 8 (eight) core conventions of the ILO. In line with the ratification in recognition of the fundamental rights, this manpower act must also reflect observance and appreciation of the seven core principles.

This act contains,among others:

- *Statutory basis, fundamental principles and the objectives of manpower development;*
- *Manpower planning and manpower information;*
- *Provision of equal opportunities and equal treatment for manpower and workers/ labourers;*
- *Job training that is directed to improve and develop skills and expertise of manpower in order to increase labour productivity as well as enterprise productivity;*
- *Job placement service in order to optimally use manpower and the placement of people available for work in jobs that uphold human values and human dignity as a form of responsibility of the government and the society in efforts to extend job opportunities;*
- *The proper use of manpower of foreign citizenship in accordance with the competences that are needed.*
- *Industrial relations development that accords with the values of the* Pancasila*, directed towards the development of harmonious, dynamic and justice-based relations among actors of production process;*
- *Institutional development and structures of industrial relations, including collective labour agreements, bipartite cooperative institutes, tripartite cooperative institutes, the provision of information on industrial relations to the society, and the settlement of industrial relations disputes.*
- *Protection for workers/ labourers, including protection of the worker/ labourer's fundamental rights to negotiate with the entrepreneur, protection of the worker/ labourer's occupational safety and health, special protection for female workers/ labourers, children, youths and disabled or handicapped workers, and protection concerning wages, welfare and social security for employees;*
- *Labour inspection, in order to make sure that statutory rules and regulations concerning manpower are indeed carried out, as they should*

II. ARTICLE BY ARTICLE

ARTICLE 1

Sufficiently clear

ARTICLE 2

The National Development shall be carried out in the framework of the whole, undivided development of Indonesian as a human being. Therefore, manpower development shall be carried out with the aim to develop Indonesian and the Indonesian society as a whole into a prosperous, just, and well-off society in which material and spiritual benefits are evenly shared.

ARTICLE 3

The fundamental principle of manpower development basically accords with the fundamental principle of national development, in particular with the fundamental principle of democracy of the Pancasila *and the fundamental principles of social justice and equity. Manpower development has many dimensions and interconnectivity with many stakeholders such as the government, the entrepreneur and the worker/ labourer. Therefore, manpower development shall be carried out in an integrated manner and in the form of a mutually supportive cooperation.*

ARTICLE 4

Point a

The empowerment and the effective employment of manpower and the development of their potentials shall go hand in hand as an integrated activity aimed at providing as many job opportunities as possible to Indonesian manpower. Through the empowerment and their employment/ potential development, Indonesian manpower shall be able to participate optimally in the national development but with keeping on upholding their values as human beings.

Point b

All efforts must be made to ensure equal distribution of job opportunities throughout all the territory of the Unitary State of the Republic of Indonesia as a unified job markets by providing equal opportunities to all Indonesian manpower to find job that is in line with their talents, interest and capabilities. All efforts must also be made to ensure equal distribution of job placement in order to fulfill the needs in all sectors and regions.

Point c

Sufficiently clear

Point d

Sufficiently clear

ARTICLE 5

Every person who is available for a job shall have the same right and opportunity to find a decent job and to earn a decent living without being discriminated against on grounds of sex, ethnicity, race, religion, political orientation, in accordance with the person's interest and capability, including the provision of equal treatment to the disabled.

ARTICLE 6

Entrepreneurs are under an obligation to give the worker/ labourer equal rights and responsibilities without discrimination based on sex, ethnicity, race, religion, skin color, and political orientation.

ARTICLE 7

Subsection (1)

Manpower planning that is formulated and established by the government shall be implemented through sector-based, regional and national manpower planning approaches.

Subsection (2)

Point a

Macro manpower planning is a process of systematically formulating manpower planning, which makes effective, productive and optimal use of workforce in order to support economic or social developments at national, regional or sector-based level. In this way as many as possible job opportunities can be made available while job productivity and workers/ labourers' welfare can also be increased.

Point b

Micro manpower planning is a process of systematically formulating manpower planning within an agency – either a government agency or a private agency – in order to enhance the effective, productive and optimal use of workforce to support the achievement of high performance at the agency or enterprise concerned.

Subsection (3)

Sufficiently clear

ARTICLE 8

Subsection (1)

Manpower information is collected and processed according to the objectives of the formulation of national manpower planning and provincial or district or city manpower planning.

Subsection (2)

For the sake of manpower development, the participation of the private sector is expected to provide information concerning manpower. The term "private sector" shall include enterprises/ companies, universities, and non-government organizations at central level, provincial or district/city levels.

Subsection (3)

Sufficiently clear

ARTICLE 9

Welfare improvement as mentioned under this Article shall mean the welfare gained by manpower through the fulfillment of work competence acquired by means of job training.

ARTICLE 10

Subsection (1)

Sufficiently clear

Subsection (2)

Work competence standards shall be established by Minister by including the sectors concerned.

Subsection (3)

Job training commonly comes in three levels: elementary level, intermediate level and advanced level.

Subsection (4)

Sufficiently clear

ARTICLE 11

Sufficiently clear

ARTICLE 12

Subsection (1)

Users of skilled manpower are entrepreneurs. Therefore, entrepreneurs are responsible for organizing job training in order to improve their workers' competence.

Subsection (2)

Entrepreneurs are obliged to enhance and/or develop the competence of their workers/ labourers because it is the enterprise that will benefit from the enhancement of their workers/ labourers' job competence.

Subsection (3)

The administration of job training shall be adjusted to the need of and the available opportunity at the enterprise so that enterprise activities are not disrupted.

ARTICLE 13

Subsection (1)

Private job training shall also include enterprise job training.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 14

Subsection (1)

Sufficiently clear

Subsection (2)

Sufficiently clear

Subsection (3)

The registration of training activities administered by a government job-training institute at the government agency responsible for manpower affairs in the district/ city is intended to get information for optimal enhancement and development of the effectiveness of the training, training results, training structures and infrastructures.

Subsection (4)

Sufficiently clear

ARTICLE 15

Sufficiently clear

ARTICLE 16

Sufficiently clear

ARTICLE 17

Sufficiently clear

ARTICLE 18

Subsection (1)

Sufficiently clear

Subsection (2)

Certification of competence is a process of issuing competence-attesting certificates in a systematic and objective way through competence tests that use national as well as international competence standards as reference.

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

ARTICLE 19

Sufficiently clear

ARTICLE 20

Subsection (1)

The national job training system as mentioned under this subsection is interconnectivity and integration of various job training elements/ aspects which include, among others, participants, costs, structures and infrastructures, instructors, training programs and methods and graduates. With the existence of the national job training system, all elements and all resources of national job training found in government agencies, private agencies and companies can be optimally used.

Subsection (2)

Sufficiently clear

ARTICLE 21

Sufficiently clear

ARTICLE 22

Subsection (1)

Sufficiently clear

Subsection (2)

The rights of the apprentice include the right to receive pocket money and or transport money, the right to receive social security for employees, certificate upon completion of apprenticeship if they successfully complete the apprenticeship program.

The rights of the entrepreneur, on the other hand, include the right to possess any products/services resulted from the apprenticeship activities, the right to recruit and install successful apprentices as workers/ labourers if they meet the entrepreneur's criteria.

The obligations of the apprentice include the obligation to comply with the apprenticeship agreement, to follow apprenticeship programs and procedures, and to comply with the enterprise's discipline and rule of conduct.

The obligations of the entrepreneur, on the other hand, include the obligation to provide pocket money and/or transport money to the apprentice, training facilities and infrastructures as well as occupational safety and health equipment.

The period of apprenticeship varies, subject to the length of time needed to achieve the competence standards that have been set/ established in the apprenticeship training programs.

Subsection (3)

An apprentice who has the status of a worker/ labourer in the enterprise that employs him or her as apprentice shall have the right over everything that is regulated in the company regulations or the collective labour agreement.

ARTICLE 22

Subsection (1)

Sufficiently clear

ARTICLE 23

Certification may be performed by a certification agency established by and or accredited by the government if the program is general, or by the enterprise if the program is specific.

ARTICLE 24

Sufficiently clear

ARTICLE 25

Sufficiently clear

ARTICLE 26

Sufficiently clear

ARTICLE 27

Subsection (1)

Sufficiently clear

Subsection (2)

The phrase the interests of the enterprise under this subsection means to ensure the availability of skilled and expert manpower at certain competence levels such specialist welders for performing welding underwater.

The phrase the interests of the society shall refer to, for instance, the opening up of opportunities for people to find a job in a specific industry such as plant cultivation technology with tissue culture.

The phrase the interests of the State shall refer to, for instance, efforts to save the country's foreign exchange reserves through apprenticeship programs aimed at enabling the apprentice to manufacture modern agricultural machines and tools.

ARTICLE 28

Sufficiently clear

ARTICLE 29

Sufficiently clear

ARTICLE 30

Sufficiently clear

ARTICLE 31

Sufficiently clear

ARTICLE 32

Subsection (1)

- *The term transparency here refers to the giving of clear information to jobseekers concerning the type of work, the amount of wages, and working hours. This is necessary to protect workers/ labourers and to avoid disputes after the placement takes place.*
- *Free means that jobseekers are free to choose whatever job they like and employers are also free to choose manpower/ jobseekers they like. Thus jobseekers must not be forced to accept a job and employers must not be forced to accept any manpower offered to him.*
- *The term objectivity here is intended to encourage employers to offer to jobseekers jobs that suit their abilities and qualifications. In so doing, however, employers have to consider the interests of the public and must not take sides.*
- *The phrase fairness and equal here shall refer to placement purely based on the ability of the manpower and not based on the manpower's race, sex, skin color, religion, and political orientation.*

Subsection (2)

Sufficiently clear

Subsection (3)

Efforts must be made to ensure equal distribution of job opportunities in the whole territory of the State of the Republic of Indonesia as a unified national job market by providing the whole manpower with the same opportunity to get job according to their talents, interests and ability. Efforts to ensure equal distribution of job opportunities also need to be made so that the need for manpower in all sectors and regions can be fulfilled.

ARTICLE 33

Sufficiently clear

ARTICLE 34

Prior to the enactment of the act on the placement of manpower in foreign countries, all laws and regulations that regulate placement of manpower in foreign countries shall remain valid.

ARTICLE 35

Subsection (1)

Employers under this subsection refer to domestic employers.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 36

Sufficiently clear

ARTICLE 37

Subsection (1)

Point a

The establishment of government agencies responsible for manpower affairs at central and regional level shall be regulated according to prevailing laws and regulations.

Point b

Sufficiently clear

Subsection (2)

Sufficiently clear

ARTICLE 38

Sufficiently clear

ARTICLE 39

Sufficiently clear

ARTICLE 40

Sufficiently clear

ARTICLE 41

Because efforts to extend job opportunities are of cross-sector coverage, a national policy must be made in all sectors to absorb manpower optimally. In order to properly implement the national policy, the government and society shall jointly and in a coordinated way monitor and control the implementation of the policy.

ARTICLE 42

Subsection (1)

The requirement to obtain permission for the use of foreign worker is intended to ensure selective employment of foreign worker so that Indonesian manpower can be used and developed optimally.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

Subsection (6)

Sufficiently clear

ARTICLE 43

Subsection (1)

The plan for the utilization of foreign worker is a requirement to get working permit (IKTA).

Subsection (2)

Sufficiently clear

Subsection (3)

The "international agencies" under this subsection refer to non-profit international organizations under the United Nations such as the ILO, WHO or UNICEF.

Subsection (4)

Sufficiently clear

ARTICLE 44

Subsection (1)

The competence standards here refer to qualifications that must be owned by manpower of foreign citizenship such as knowledge, skills and expertise in certain fields and understanding of Indonesian culture.

Subsection (2)

Sufficiently clear

ARTICLE 45

Subsection (1)

Point a

Indonesian worker who accompany foreign worker do not automatically replace or occupy the position of the foreign worker that they accompany. The accompaniment is emphasized on transfer of technology and transfer of expertise/skills so that the accompanying Indonesian workers may get ability to replace the foreign worker that they accompany in due time.

Point b

Vocational education and training by employers may be carried out either in the country home or by sending Indonesian manpower to foreign countries for training.

Subsection (2)

Sufficiently clear

ARTICLE 46

Sufficiently clear

ARTICLE 47

Subsection (1)

The obligation to pay compensation is intended to support efforts to increase the quality of Indonesian human resources.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 48

Sufficiently clear

ARTICLE 49

Sufficiently clear

ARTICLE 50

Sufficiently clear

ARTICLE 51

Subsection (1)

Principally, work agreements shall be made in writing. However, given the various conditions in the society, oral work agreements are possible.

Subsection (2)

Work agreements that specify work requirements in writing must be in accordance with the prevailing laws and regulations, including work agreements for a specified time, inter-work inter-region and inter-work inter-country and maritime work agreements.

ARTICLE 52

Subsection (1)

Point a

Sufficiently clear

Point b

The phrase capability or competence to take legal actions refers to parties who are capable or competent by law to make agreements. Work agreements for child labour shall be signed by their parents or guardians.

Point c

Sufficiently clear

Point d

Sufficiently clear

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 53

Sufficiently clear

ARTICLE 54

Subsection (1)

Sufficiently clear

Subsection (2)

What is meant by the phrase must not against stated under this subsection is that if the enterprise already has its rules and regulations or its collective labour agreement, then the content of the work agreement, both in terms of quality and quantity, can not be lower than the provisions under the company regulations or the collective labour agreement.

Subsection (3)

Sufficiently clear

ARTICLE 55

Sufficiently clear

ARTICLE 56

Sufficiently clear

ARTICLE 57

Sufficiently clear

ARTICLE 58

Sufficiently clear

ARTICLE 59

Subsection (1)

The work agreement as mentioned under this subsection shall be registered with the government agency responsible for manpower affairs.

Subsection (2)

Jobs that are permanent by nature refer to continuous, uninterrupted jobs that are not confined by a timeframe and are part of production process in an enterprise or jobs that are not seasonal.

Jobs that are not seasonal are jobs that do not depend on the weather or certain conditions. If a job is a continuous, uninterrupted job that is not confined by a timeframe and part of a production process but depends on the weather or the job is needed because of the existence of a certain condition, then the job is a seasonal job. The job does not belong to permanent employment and hence, can be subjected to a work agreement for a specified time.

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

Subsection (6)

Sufficiently clear

Subsection (7)

Sufficiently clear

Subsection (8)

Sufficiently clear

ARTICLE 60

Subsection (1)

A requirement for a probationary period must be stated in a work agreement. If the work agreement is made orally, the requirement for a probationary period must be made known to the worker and stated in the worker's letter of appointment. If the work agreement or the letter of appointment is silent about probationary period, probationary period shall be considered non-existent.

Subsection (2)

Sufficiently clear

ARTICLE 61

Subsection (1)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

A certain situation or incident which may result in the termination of employment refers to certain conditions such as natural disasters, social upheavals/unrest and security disturbances.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

What is meant by the worker's entitlements that pursuant to the prevailing laws and regulations or the entitlements that has been prescribed in the work agreement, the company regulations, or collective labour agreement are entitlements that must be given that are better and more beneficial for the worker/labourer.

ARTICLE 62

Sufficiently clear

ARTICLE 63

Sufficiently clear

ARTICLE 64

Sufficiently clear

ARTICLE 65

Sufficiently clear

ARTICLE 66

Subsection (1)

If the job is related to the entrepreneur's core business activities or activities directly connected with production process, the entrepreneur is only allowed to employ workers/ labourers under an employment/ work agreement for a specified time and/or under a work agreement for an unspecified time.

What is meant by auxiliary service activities or activities indirectly related to production process are activities outside of the core business of the enterprise.

Such activities include, among others, activities associated with the provision of cleaning service, the provision of catering service the provision of a supply of security guards, auxiliary business activities in the mining and oil sectors, and the provision of transport for workers/ labourers.

Subsection (2)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Issues concerning wage and welfare protection, working requirements/ conditions and settlements of disputes between labour providers/ suppliers and workers/ labourers must be in accordance with the prevailing laws and regulations.

As far as wage and welfare protection, working conditions, and protection in the event of a dispute are concerned, workers/ labourers who work at labour provider enterprises shall receive the same entitlements as the ones provided in the enterprises that use their service in accordance with the work agreements, company regulations or collective labour agreements.

Point d

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 67

Subsection (1)

The protection to disabled workers according to the type and severity of the disability as mentioned under this subsection refers to, for instance, the provision of accessibility, working tools, and personal protective equipment that are adjusted to the type and severity of the worker's disability.

Subsection (2)

Sufficiently clear

ARTICLE 68

Sufficiently clear

ARTICLE 69

Sufficiently clear

ARTICLE 70

Sufficiently clear

ARTICLE 71

Subsection (1)

What is stipulated under this subsection is intended to protect children in such a way that the development of their talents and interest – that commonly takes place at their age – is not disrupted.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 72

Sufficiently clear

ARTICLE 73

Sufficiently clear

ARTICLE 74

Sufficiently clear

ARTICLE 75

Subsection (1)

Efforts to overcome problems associated with children who work outside of employment relations are intended to ensure that no child works outside of employment relations or to reduce the number of children who work outside of employment relations. These efforts must be carried out in a well-planned, well- integrated and well-coordinated manner with related agencies.

Children who work outside of employment relations are for instance shoeshine boys or newspaper boys.

Subsection (2)

Sufficiently clear

ARTICLE 76

Subsection (1)

Entrepreneurs shall be the ones responsible for the violation of this article. Should female workers/labourers as mentioned under this subsection be employed between 11 p.m. until 7 a.m., the entrepreneur shall be held responsible for this violation.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

ARTICLE 77

Subsection (1)

Sufficiently clear

Subsection (2)

Sufficiently clear

Subsection (3)

Under this subsection, certain business sectors or certain types of work refer to, for instance, work on offshore oil drilling rigs/ platforms, work involving long distance driving of vehicles, work involving long distance flight, work at sea (on a ship) or work involving the felling of trees.

Subsection (4)

Sufficiently clear

ARTICLE 78

Subsection (1)

Employing workers beyond normal working hours must be avoided because workers/ labourers must have enough time to take a rest and recover their fitness. However, in certain cases there are urgent needs in which work must be immediately and inevitably done so that workers/ labourers have to work beyond normal working hours.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 79

Subsection (1)

Sufficiently clear

Subsection (2)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

While taking a long period of rest, workers/ labourers are given compensation pay for their entitlement to the eighth year's annual leave amounting to half their monthly salary. Enterprises that have already applied a long period of rest that is better than the one stipulated under this act are not allowed to reduce it.

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

ARTICLE 80

What is meant by the provision of adequate opportunity shall refer to the provision of a place for praying to and worshipping God that enables workers/labourers to properly perform their religious obligations/ rituals, in which the enterprise's conditions and financial ability for the provision of such a place shall be taken into account.

ARTICLE 81

Sufficiently clear

ARTICLE 82

Subsection (1)

The length of the period of rest may be extended if required as attested by a written statement from the obstetrician or midwife either prior to or after the delivery.

Subsection (2)

Sufficiently clear

ARTICLE 83

What is meant by providing proper opportunities to female workers/ labourers to breast-feed their babies during working hours are periods of time provided by the enterprise to the female workers/ labourers to breast- feed their babies, by taking into account the availability of a place/ room that can be used for such a purpose according to the enterprise's conditions and financial ability, which shall be regulated in the company regulations or collective labour agreements.

ARTICLE 84

Sufficiently clear

ARTICLE 85

Subsection (1)

Sufficiently clear

Subsection (2)

What is stipulated under this subsection is intended to serve the public interest and public welfare. Moreover, there are works whose type and nature are such that it is impossible to stop it.

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 86

Subsection (1)

Sufficiently clear

Subsection (2)

Occupational safety and health efforts are intended to provide guarantee of safety and increase the level of health of workers/ labourers by preventing occupational accidents and diseases, controlling hazards in the workplace, promoting health, medical care and rehabilitation.

Subsection (3)

Sufficiently clear

ARTICLE 87

Subsection (1)

The occupational safety and health management system is part of the overall management system of the enterprise, which includes organizational structure, planning, implementation, responsibility, procedures, processes, and resources that are needed for the development, application, achievement, study and maintenance of the enterprise's occupational safety and health policy in order to control the risks associated with working activities for the creation of secure, efficient and productive workplace.

Subsection (2)

Sufficiently clear

ARTICLE 88

Subsection (1)

Income that enables workers/ labourers to properly meet their livelihood needs refers to the amount of income or earning that workers/ labourers earns from their work so that they can reasonably meet what they and their families need for living, including the ability to meet the need for food and drinks, clothes, housing, education, healthcare, recreation and old age benefit.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 89

Subsection (1)

Point a

Sufficiently clear

Point b

Sector-based minimum wages can be established for business groups by sector and their breaking down according to business classification by sector nationwide (Indonesia), by district/ city or province. Such sector-based minimum wages in any given area must not be lower than the regional minimum wages applicable to the area in question.

Subsection (2)

The phrase shall follow the guidance for meeting the need for decent living as mentioned under this subsection shall mean that the setting of minimum wages must be adjusted to the level at which the minimum wages are on par with the need for decent living. The amount of such minimum wages shall be determined by Minister.

Subsection (3)

Sufficiently clear

Subsection (4)

The meeting of the need for decent living needs to be made gradually because the need for decent living is an upgrade of the need for minimum living that heavily depends on the level of financial ability of the world of business.

ARTICLE 90

Subsection (1)

Sufficiently clear

Subsection (2)

The postponement of the payment of minimum wages by an enterprise that is financially not able to pay minimum wages is intended to release the enterprise from having to pay minimum wages for a certain period of time. If the postponement comes to an end, the enterprise is under an obligation to pay minimum wages that are applicable at the time but is not obliged to make up the difference between the wages it actually paid and the applicable minimum wages during the period of time of the postponement.

Subsection (3)

Sufficiently clear

ARTICLE 91

Sufficiently clear

ARTICLE 92

Subsection (1)

The formulation of wages structures and scales is intended as a guideline for setting wages so that the wages of each worker can be determined with certainty. Such formulation is also intended to reduce the gap between the lowest wages and the highest wages in the enterprise.

Subsection (2)

The reviewing of wages shall be done to adjust the wages to the consumer price index, the worker's performance, and the enterprise's development and financial ability.

Subsection (3)

Sufficiently clear

ARTICLE 93

Subsection (1)

What is stipulated under this subsection is a fundamental principle that is basically applicable to every worker/labourer, that is, unless the worker/ labourer cannot perform his/her job because of mistakes that are not his/her.

Subsection (2)

Point a

A worker/labourer are ill if there is a statement from the physician.

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

Fulfilling one's obligation to the State means fulfilling State obligation, which is stipulated under laws and regulations.

The payment of wages to workers/ labourers who have to be absent from work because they are required to perform their obligations to the State shall be made if:

a. *The State does not pay the worker/labourer; or*
b. *The State pays worker/labourer less than the amount of wages he/she usually receives. In this case the entrepreneur is under an obligation to make up the difference.*

Point e

Practicing or observing religious duties ordered/ required by his/her religion means practicing religious obligations according to his/her religion requirement, which has been regulated with laws and regulations.

Point f

Sufficiently clear

Point g

Sufficiently clear

Point h

Sufficiently clear

Point i

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

ARTICLE 94

What is meant by fixed allowance under this subsection is payment to workers/ labourers that is made regularly and not commensurate with the attendance or certain achievement/performance of the worker/labourer.

ARTICLE 95

Subsection (1)

Sufficiently clear

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

The payment of worker/labourer's wages shall take priority over the payment of other debts. This means that workers/labourers' wages must be the first to be paid before other debts are paid.

ARTICLE 96

Sufficiently clear

ARTICLE 97

Sufficiently clear

ARTICLE 98

Sufficiently clear

ARTICLE 99

Sufficiently clear

ARTICLE 100

Subsection (1)

Welfare facilities shall refer to, for instance, family planning service, babysitting facilities, housing facilities for workers/ labourers, special rooms for prayer or other religious facilities, sports facilities, canteens, policlinic and other medical/ health facilities, and recreational facilities.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 101

Subsection (1)

Productive business undertakings at the enterprise shall refer to economic activities that generate income other than wages.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 102

Sufficiently clear

ARTICLE 103

Sufficiently clear

ARTICLE 104

Subsection (1)

The freedom to establish a trade/ labour union and to become or not to become member of a trade/ labour union is one of the fundamental rights of workers/ labourers.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 105

Sufficiently clear

ARTICLE 106

Subsection (1)

At enterprises whose workers/ labourers number less than 50 (fifty) people, effective and proper communication and consultation can still be performed on an individual basis. However, if the enterprise has 50 (fifty) workers/ labourers or more, it is necessary to perform communication and consultation through a representative system.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 107

Sufficiently clear

ARTICLE 108

Sufficiently clear

ARTICLE 109

Sufficiently clear

ARTICLE 110

Sufficiently clear

ARTICLE 111

Subsection (1)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Working/work requirements refer to the rights and obligations of the entrepreneur and the worker/ labourer that have not been regulated under laws and regulations.

Point d

Sufficiently clear

Point e

Sufficiently clear

Subsection (2)

The sentence ompany regulations shall not against any prevailing laws and regulations means that company regulations must not be lower in both quality and quantity than those stipulated under the prevailing laws and regulations. If proved otherwise, however, the stipulations of prevailing laws and regulations shall apply.

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

ARTICLE 112

Sufficiently clear

ARTICLE 113

Sufficiently clear

ARTICLE 114

The entrepreneur is under an obligation to notify and explain to the worker/ labourer the company regulations and changes made to them. To do so, the entrepreneur may distribute the copies of company regulations to each worker/ labourer, post them at places where workers/ labourers can easily read them. Alternatively, the entrepreneur may also explain them directly to workers/ labourers.

ARTICLE 115

Sufficiently clear

ARTICLE 116

Subsection (1)

Sufficiently clear

Subsection (2)

Work agreements must be made in good faith. This means that there must be honesty, transparency, willingness and awareness on the part of all parties concerned in the making of the agreements without any party forcing or pressurizing another party.

Subsection (3)

If the collective labour agreement is made in Indonesian and translated into another language and then differences in interpretation arise, then the collective labour agreement that use or are written in Indonesian shall apply.

Subsection (4)

Sufficiently clear

ARTICLE 117

Settlements through procedures for the settlement of industrial relations disputes may be carried out through mediators, conciliators, arbiters, or institutes for the settlement of industrial relations disputes.

ARTICLE 118

Sufficiently clear

ARTICLE 119

Sufficiently clear

ARTICLE 120

Sufficiently clear

ARTICLE 121

Sufficiently clear

ARTICLE 122

Sufficiently clear

ARTICLE 123

Sufficiently clear

ARTICLE 124

Subsection (1)

Sufficiently clear

Subsection (2)

The phrase "must not against any prevailing laws and regulations" means that the contents of the collective labour agreement must not be lower in both quality and quantity than their counterparts or equivalence that are stipulated under the prevailing laws and regulations.

Subsection (3)

Sufficiently clear

ARTICLE 125

Sufficiently clear

ARTICLE 126

Sufficiently clear

ARTICLE 127

Sufficiently clear

ARTICLE 128

Sufficiently clear

ARTICLE 129

Sufficiently clear

ARTICLE 130

Sufficiently clear

ARTICLE 131

Sufficiently clear

ARTICLE 132

Sufficiently clear

ARTICLE 133

Sufficiently clear

ARTICLE 134

Sufficiently clear

ARTICLE 135

Sufficiently clear

ARTICLE 136

Sufficiently clear

ARTICLE 137

What is meant by failed negotiation under this Article is that no agreement to settle the industrial relations dispute is reached because the entrepreneur is not willing to negotiate or because the negotiation ends in deadlock.

The term peacefully and orderly means that the strike must not disrupt security and public order and/or threaten the life safety and property of the entreprise, entrepreneur, other people or other members of the general public.

ARTICLE 138

Sufficiently clear

ARTICLE 139

Enterprises that serve the public interest and/or enterprises whose types of activities, when interrupted by a strike, will lead to the endangerment of human lives are those running hospitals, fire department, those providing railway service, those in charge of sluices, those in charge of regulating air traffic, and those in charge of sea traffic.

That the strike shall be arranged in such a way so as not to disrupt public interests and/ or endanger the safety of other people means that the strike shall be carried out by workers/ labourers who are not on duty.

ARTICLE 140

Subsection (1)

Sufficiently clear

Subsection (2)

Point a

Sufficiently clear

Point b

Places for staging a strike refer to places chosen by those responsible for the strike for staging the strike in a way that will not prevent other workers/ labourers from performing work.

Point c

Sufficiently clear

Point d

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

ARTICLE 141

Sufficiently clear

ARTICLE 142

Sufficiently clear

ARTICLE 143

Subsection (1)

What is meant by the word 'to prevent' under this subsection is preventing the use of the right to strike by means of, among others:

a. *Punishment;*
b. *Intimidation, in whatever form; or*
c. *Transfer to another position or place with the intention to put the transferee at a disadvantage*

Subsection (2)

Sufficiently clear

ARTICLE 144

Sufficiently clear

ARTICLE 145

Subsection (1)

The phrase their normative rights, which the entrepreneur has indeed violated means that the entrepreneur is, clearly and as a matter of fact, unwilling to fulfill their obligations as mentioned and/or as stipulated under work agreements, company regulations, collective labour agreements or labour legislation even though their has been ordered to do so by the government official responsible for labour/ manpower affairs.

The payment of the wages of striking workers/ labourers as mentioned under this Article shall not eliminate the imposition of sanction on entrepreneurs who violate normative provisions.

ARTICLE 146

Subsection (1)

Sufficiently clear

Subsection (2)

Sufficiently clear

Subsection (3)

If the lockout is carried out illegally or as retaliation for a legal strike which rightfully demands the fulfillment of normative rights, the entrepreneur is under an obligation to pay the worker/ labourer's wages.

ARTICLE 147

Sufficiently clear

ARTICLE 148

Sufficiently clear

ARTICLE 149

Sufficiently clear

ARTICLE 150

Sufficiently clear

ARTICLE 151

Subsection (1)

The phrase make all efforts under this subsection refers to positive activities or actions which may eventually prevent termination of employment from happening, including, among others, arrangement of working time, saving measures, restructuring or reorganization of working methods, and efforts to develop the worker/ labourer.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 152

Sufficiently clear

ARTICLE 153

Sufficiently clear

ARTICLE 154

Sufficiently clear

ARTICLE 155

Sufficiently clear

ARTICLE 156

Sufficiently clear

ARTICLE 157

Sufficiently clear

ARTICLE 158

Sufficiently clear
Note : Article 158 is declared null and void based on the Constitutional Court Decision No. 012/PUU-I/2003.

ARTICLE 159

Sufficiently clear
Note : Article 159 is declared null and void based on the Constitutional Court Decision No. 012/PUU-I/2003.

ARTICLE 160

Subsection (1)

The members of the worker/ labourer's family that are his or her dependents are his wife or her husband, children or persons who legally become the worker/ labourer's dependents according to company regulations, work agreements or collective labour agreements.

Note: The wordings "not because of the complaint filed by the entrepreneur" in Article 160 subsection (1), is declared null and void in line with the Constitutional Court Decision No. 012/PUU-I/2003.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

Subsection (6)

Sufficiently clear

Subsection (7)

Sufficiently clear

ARTICLE 161

Subsection (1)

Sufficiently clear

Subsection (2)

Each warning letter may be issued either consecutively or not consecutively, according to what is stipulated under the work agreements or company regulations or collective labour agreements.

In case the warning letter is issued consecutively then the first warning letter shall be effective for a period of 6 (six) months. If the worker/labourer commits a violation again against the provisions under the work agreement or company regulations or collective labour agreement within the 6 (six) month period, the entrepreneur may issue the second warning letter, which shall also be effective for a period of 6 (six) months since the issuance of the second warning letter.

If the worker/labourer keeps on violating the provisions under the work agreement or company regulations or collective labour agreement, the entrepreneur may issue the third (last) warning, which shall be effective for 6 (six) months since the issuance of the third warning. If within the effective period of the third warning, the worker/ labourer once again violate the provisions under the work agreement or company regulations or collective labour agreement, the entrepreneur may terminate employment.

If the six-month period since the issuance of the first warning letter is lapsed and the worker/ labourer once again violates the work agreement, company regulations or collective labour agreement, then the warning letter issued by the entrepreneur shall once again be the first warning letter. The same shall also apply to the second and third warning.

Work agreements or company regulations or collective labour agreements may stipulate the issuance of first and last warning letter for certain types of violations. So, if the worker/ labourer violate the work agreement or company regulations or collective labour agreement within the effective period of the first and last warning letter, the entrepreneur may terminate the worker/ labourer's employment.

The six-month period is meant as an effort to educate the affected worker/ labourer so that he/she has time to correct his/her behavior. On the other hand, the six-month period shall give the entrepreneur enough time to evaluate the performance of the worker/ labourer in question.

Subsection (3)

Sufficiently clear

ARTICLE 162

Sufficiently clear

ARTICLE 163

Sufficiently clear

ARTICLE 164

Sufficiently clear

ARTICLE 165

Sufficiently clear

ARTICLE 166

Sufficiently clear

ARTICLE 167

Subsection (1)

Sufficiently clear

Subsection (2)

Sufficiently clear

Subsection (3)

An example for this subsection is:

- *For instance, if the severance pay that should have been received by the worker/ labourer is Rp10,000,000 and the amount of pension benefit payable to the worker/ labourer according to the pension program is Rp6,000,000 and arrangements have been made in the pension program that the entrepreneur pays 60% of the premium and the worker/ labourer pays the remaining 40%, then:*
- *The total premiums paid by the entrepreneur are equal to 60% x Rp6,000,000 = Rp3,600,000*
- *The total pension benefit for which premiums have been paid by the worker/ labourer are equal to 40% x Rp6,000,000 = Rp2,400,000*
- *So, the difference that the entrepreneur has to make up is Rp10,000,000 – Rp3,600,000 = <u>Rp6,400,000.</u>*
- *This means that the money receivable by the worker/ labourer upon the termination of the worker/ labourer's employment is:*
  - *Rp3,600,000 (which is the benefit paid by the pension program administrator of which represents 60% of the total premiums which had been paid by the entrepreneur)*
  - *Rp6,400,000 (which comes from the difference in severance pay that must be made up by the entrepreneur)*

- *Rp2,400,000 (which is the benefit paid by the pension program administrator which represents 40% of the total premiums which had been paid by the worker/ labourer)*

Total: Rp12,400,000 (twelve million four hundred thousand rupiah)

Subsection (4)

Sufficiently clear

Subsection (5)

Sufficiently clear

ARTICLE 168

Subsection (1)

The phrase 'the entrepreneur has properly summoned him or her' means that the worker/ labourer has been summoned in writing through a letter sent to the address of the worker/ labourer as recorded at the enterprise on the basis of the information provided by the worker/ labourer to the enterprise. There shall be a minimum of three-workday spacing between the first summon and the second summon.

Subsection (2)

Sufficiently clear

Subsection (3)

Sufficiently clear

ARTICLE 169

Sufficiently clear

ARTICLE 170

Sufficiently clear

Note : The wordings "except subsection (1) of Article 158" in Article 170, is declared null and void in line with the Constitutional Court Decision No. 012/PUU-I/2003.

ARTICLE 171

The one-year spacing reserved for dismissed workers/ labourers to file a lawsuit starting from the date on which their employment is terminated is considered as an appropriate period of time during which to file a lawsuit.

Note : The wordings "subsection (1) of Article 158" in Article 171, is declared null and void in line with the Constitutional Court Decision No. 012/PUU-I/2003.

ARTICLE 172

Sufficiently clear

ARTICLE 173

Subsection (1)

The term develop shall refer to activities carried out effectively and efficiently to get better results in order to improve and develop all manpower-related activities.

Subsection (2)

Sufficiently clear

Subsection (3)

Those who shall perform the coordination as mentioned under this subsection are the government agency (agencies) responsible for labour/ manpower affairs.

ARTICLE 174

Sufficiently clear

ARTICLE 175

Sufficiently clear

ARTICLE 176

The word "independency" attributable to labour inspectors under this subsection shall mean that in making decision, labour inspectors are not under the influence of other parties.

ARTICLE 177

Sufficiently clear

ARTICLE 178

Sufficiently clear

ARTICLE 179

Sufficiently clear

ARTICLE 180

Sufficiently clear

ARTICLE 181

Sufficiently clear

ARTICLE 182

Sufficiently clear

ARTICLE 183

Sufficiently clear

ARTICLE 184

Sufficiently clear

ARTICLE 185

Sufficiently clear

ARTICLE 186

Sufficiently clear
Note : The wordings "Article 137, and subsection (1) of Article 138" in Article 187 subsection (1), is declared null and void in line with the Constitutional Court Decision No. 012/PUU-I/2003.

ARTICLE 187

Sufficiently clear

ARTICLE 188

Sufficiently clear

ARTICLE 189

Sufficiently clear

ARTICLE 190

Sufficiently clear

ARTICLE 191

Implementing regulations which regulate matters pertaining to labour/ manpower under this act are implementing regulations from various labour/ manpower laws irrespective of whether they have been revoked or are still in place and valid. In order to avoid legal vacuum, this act shall apply to implementing regulations that have not been revoked or replaced on the basis of this act as long as they are not against this act.

Likewise, if a labour incident or case happens before the application of this act and is still in the process of being settled through an institute for the settlement of industrial relations disputes, then in accordance with the principle of legality, implementing regulations that are in existence prior to the application of this act shall be used to settle the incident or case.

ARTICLE 192

Sufficiently clear

ARTICLE 193

Sufficiently clear

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 4279