REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 36 OF 2021
ON WAGES

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that in order to implement the provisions of Article 81 and Article 185 point b of Law Number 11 of 2020 on Job Creation, it is necessary to issue Government Regulation on Wages;

Observing :
1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);
3. Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);

HAS DECIDED:

To issue : GOVERNMENT REGULATION ON WAGES.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Wage means a right of Worker/Labourer that is received and stated in the form of money as a compensation from Employer or entrepreneur to the Worker/Labourer which is set and paid in accordance with an Employment Contract, consensus, or legislation, including allowance for Worker/Labourer and their family for a work and/or service which has been performed or will be performed.
2. Worker/Labourer means any person who works by receiving Wage or other forms of compensation.
3. Employer means:
   a. an individual, a partnership, or a legal entity that runs self-owned Company;
   b. an individual, a partnership, or a legal entity that independently runs a non-self-owned Company ;
   c. an individual, a partnership, or a legal entity located in Indonesia and representing a Company as referred to in point a and point b which is domiciled outside the territory of Indonesia.
4. Company means:
   a. every form of business either incorporated or not, which is owned by an individual, a partnership, or a legal entity, that is both private-owned and state-owned which employs Workers/Labourers by paying Wage or other forms of compensation;
   b. social enterprises and other enterprises that have management and employ other people by paying Wage or other forms of compensation.
5. Employment Contract means an agreement between a Worker/Labourer and an Employer or entrepreneur that contains the terms of employment, rights, and obligations of the parties.

6. Company Regulation means a written regulation made by the Employer that specifies work requirements and code of conduct of the Company.
7. Collective Bargaining Agreement means an agreement as a result of negotiation between a Trade Union or several Trade Unions registered in government institution responsible for manpower with Employers, or several Employers or associations of Employers which specifies work requirements, rights, and obligations of both parties.
8. Employment Relation means a relation between Employers with Workers/Labourers based on an Employment Contract, which contains the elements of job, Wage, and instruction/work orders.
9. Termination of Employment means a termination of employment relation due to a certain reason which results in the end of rights and obligations between Workers/Labourers and Employers.
10. Trade Union means an organization established from, by, and for Workers/Labourers both in the Company and outside the Company, which is free, transparent, independent, democratic, and responsible to fight for, defend and protect the rights and interests of Workers/Labourers and to improve the welfare of Workers/Labourers and their families.
11. Central Government means the President of the Republic Indonesia who holds the power of government of the Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
12. Labour Inspector means a civil servant who is given the full duties, responsibilities, authorization and rights by the authorized official to perform the activities of guidance, examining, assessing, investigating, and developing the labour inspection system in accordance with the provisions of legislation.
13. Minister means the minister administering government affairs in the field of manpower.

Article 2

(1) Every Worker/Labourer has a right for a decent living for humanity.

(2) Every Worker/Labourer has a right to obtain equal treatment in the application of the wage system without discrimination.

(3) Every Worker/Labourer has a right to receive the same Wage for work that has equal value.

Article 3

The right of Workers/Labourers to Wage arises at the time of the Employment Relation between Workers/Labourers and Employers and ends when the Employment Relation is terminated.

CHAPTER II

WAGE POLICY

Article 4

(1) The Central Government determines the wage policy as an effort to realize the right of Workers/Labourers to a decent living for humanity.

(2) The wage policy as referred to in section (1) is a national strategic program.

(3) The Local Governments in implementing wage policies are obligated to be guided by Central Government policies.

Article 5

(1) The wage policy is stipulated as one of the efforts to realize the right of Workers/Labourers to a decent living for humanity.

(2) The wage policy as referred to in section (1) covers:

a. minimum Wage;

b. salary structure and scale; ;

c. overtime pay;

d. Wages for absence from work and/or failure to perform work due to certain reasons;

e. the form and method of Wage payment;

f. matters that can be calculated with Wage; and
g. Wage as a basis for calculation or payment of other rights and obligations.

Article 6

(1) Wage policy aims for the achievement of an income that fulfills a decent living for humanity.
(2) The income as referred to in section (1) is obtained in the form of:
    a. Wage; and
    b. Non-wage income.

Article 7

(1) Wage consists of these components:
    a. Wage without allowance;
    b. basic Wage and fixed allowance;
    c. basic Wage, fixed allowance, and non-fixed allowance; or
    d. basic Wage and non-fixed allowance.
(2) In the event that the Wage components consist of basic Wage and fixed allowance as referred to in section (1) point b, the amount of basic Wage is at least 75% (seventy-five percent) of the total amount of basic Wage and fixed allowance.
(3) In the event that the Wage components consist of basic Wage, fixed allowance, and non-fixed allowance as referred to in section (1) point c, the amount of basic Wage is at least 75% (seventy-five percent) of the total amount of basic Wage and fixed allowance.
(4) The components of Wage as referred to in section (1) to be used is stated in the Employment Contract, Company Regulation, or Collective Bargaining Agreement.
(5) The percentage of the basic Wage amount in the Wage components as referred to in section (2) and section (3) for certain positions or jobs may be stipulated in an Employment Contract, Company Regulation, or Collective Bargaining Agreement.

Article 8

(1) Non-Wage income is in the form of religious holiday allowance.

(2) In addition to religious holiday allowance as referred to in section (1), the Employer may provide non-Wage income in the form of:

a. incentive;

b. bonus;

c. substitute payment for work facilities; and/or

d. service charge in certain businesses.

Article 9

(1) Religious holiday allowance is required to be given by Employers to Workers/Labourers.

(2) Religious holiday allowance is required to be paid not later than 7 (seven) days before the religious holiday.

(3) Further provisions regarding religious holiday allowance and its payment procedures are regulated by a Ministerial Regulation.

Article 10

(1) Incentive may be given by Employers to Workers/Labourers in certain positions or jobs.

(2) Incentive is determined in accordance with the Company policy.

Article 11

(1) Bonus may be given by the Employers to Workers/Labourers on Company profit.

(2) Bonus for Workers/Labourers are stipulated in Employment Contract, Company Regulation, or Collective Bargaining Agreement.

Article 12

(1) Company may provide work facilities for:

a. Workers/Labourers in certain positions or jobs; or

b. all Workers/Labourers.

(2) In the event that work facilities for Workers/Labourers are not available or insufficient, the Company may provide substitute payment for work facilities as referred to in Article 8 section (2) point c.

(3) The provision of work facilities as referred to in section (1) and the substitute payment for work facilities as referred to in section (2) are stipulated in an Employment Contract, Company Regulation, or Collective Bargaining Agreement.

Article 13

(1) Service charge in certain businesses is collected and managed by the Company.

(2) Service charge in certain businesses is required to be distributed to Workers/Labourers after deducting the cost of reserves against the risk of loss or damage and the utilization of quality improvement of human resources.

(3) Provisions regarding service charge in certain businesses are regulated by a Ministerial Regulation.

CHAPTER III

WAGE BASED ON TIME UNIT AND/OR OUTPUT UNIT

Article 14

Wage is determined based on:

a. time unit; and/or

b. output unit.

Article 15

Wage based on time unit as referred to in Article 14 point a is determined:

a. hourly;

b. daily; or

c. monthly.

Article 16

(1) Determination of hourly Wage may only be made for Workers/Labourers who work part-time.

(2) Hourly Wage is paid in accordance with agreement between Employers and Workers/Labourers.

(3) The agreement as referred to in section (2) must not be lower than the result of the calculation of the hourly Wage formula.

(4) The formula for calculating hourly Wage is as follows:

$$\text{Hourly wage} = \frac{\text{Monthly wage}}{126}$$

(5) The denominator in the hourly Wage calculation formula may be reviewed if there is a significant change in the median working hours of part-time Workers/Labourers.

(6) The review as referred to in section (5) is conducted and the results are determined by the Minister by considering the results of the study conducted by the national wage council.

Article 17

In the event that Wage is determined on a daily basis, the calculation of daily Wage is as follows:

a. for Companies with working time system 6 (six) days a week, a monthly Wage is divided by 25 (twenty-five); or

b. for Companies with a working time system 5 (five) days a week, a monthly Wage is divided by 21 (twenty-one).

Article 18

(1) Wage based on output unit as referred to in Article 14 point b is determined in accordance with the agreed work output.

(2) The determination of the amount of Wage as referred to in section (1) is carried out by the Employer based on the results of the agreement between Workers/Labourers and Employers.

Article 19

The determination of a monthly Wage based on output unit as referred to in Article 14 point b for complying with the implementation of provisions of legislation, is determined

based on the average Wage of the last 12 (twelve) months received by the Workers/Labourers.

CHAPTER IV
SALARY STRUCTURE AND SCALE

Article 20

(1) The determination of Wages amount based on time unit as referred to in Article 14 point a is carried out in accordance with the salary structure and scale.

(2) In the event that Wage in companies use Wage components without allowance, the salary structure and scale serve as guidelines in determining the amount of Wages without allowance.

(3) In the event that Wage in companies consists of components of basic Wage and allowance, salary structure and scale serve as guidelines in determining the amount of the basic Wage.

Article 21

(1) Employers are obligated to arrange and implement the salary structure and scale in the Company by taking into account the Company's ability and productivity.

(2) The salary structure and scale as referred to in section (1) are required to be notified to all Workers/Labourers individually.

(3) Notified salary structure and scale contain at least the salary structure and scale in the job level in accordance with the position of the Workers/Labourers concerned.

Article 22

(1) The salary structure and scale as referred to in Article 21 section (1) must be attached by the Company at the time of applying for:

a. ratification and renewal of Company Regulations; or

b. registration, extension, and renewal of Collective Bargaining Agreement.

(2) The attached salary structure and scale as referred to in section (1) are shown to the authorized official at the ministry administering government affairs in the field of manpower and/or the office administering the government affairs in the field of manpower.

(3) After the salary structure and scale documents have been shown, the authorized official as referred to in section (2) must return the salary structure and scale documents to the Company at that time.

(4) In addition to attaching the Salary structure and scale as referred to in section (1), the head of the Company attaches a statement letter on the establishment of the Salary structure and scale in the Company.

(5) The statement letter as referred to in section (4) is documented by the authorized official at the ministry administering government affairs in the field of manpower and/or the office administering government affairs in the field of manpower, as evidence of the arrangement of the salary structure and scale.

(6) Further provisions regarding the salary structure and scale are regulated by a Ministerial Regulation.

CHAPTER V
MINIMUM WAGE

Part One
General

Article 23

(1) The minimum Wage is the lowest monthly Wage which is:
   a. Wages without allowances; or
   b. basic Wage and fixed allowances.

(2) In the event that the Wage components in a Company consists of basic Wage and non-fixed allowances, the basic Wage is at least the minimum Wage.

(3) Employers are prohibited from paying Wages lower than the minimum Wage.

Article 24

(1) The minimum Wage as referred to in Article 23 section (1) is only applicable for Workers/Labourers with work period less than 1 (one) year at the Company concerned.

(2) Wages for workers/labourers with work period 1 (one) year or more are based on the Salary structure and scale.

Article 25

(1) The minimum Wages consist of:
   a. provincial minimum Wage;
   b. regency/municipal minimum Wage with certain conditions.

(2) The minimum Wage as referred to in section (1) is determined based on economic and labour conditions.

(3) The certain conditions as referred to in section (1) point b include regional economic growth or inflation in the regency/city concerned.

(4) Economic and labour conditions as referred to in section (2) include these variables:
   a. purchasing power parity;
   b. employment rate; and
   c. median Wage.

(5) Data on economic growth, inflation, purchasing power parity, employment rate, and median wage are sourced from statistical authorities.

Article 26

(1) The minimum Wage is adjusted annually.

(2) Adjustments to the value of the minimum Wage are set at a certain range of values between the upper and lower limits of the minimum Wage in the region concerned.

(3) The upper limit of the minimum wage as referred to in section (2) is a reference to the highest minimum Wage value that can be determined and calculated using the formula as follows:

$$\text{Upper limit } UM_{(t)} = \frac{\text{Average consumption per capita}_{(t)} \times \text{Average quantity household}_{(t)}}{\text{Average number of working households per household}_{(t)}}$$

(4) The lower limit of the minimum Wage as referred to in section (2) is a reference to the lowest minimum Wage value that can be determined and is calculated using the following formula:

Lower limit $UM_{(t)}$ = Upper limit $UM(_t)$ x 50 %

(5) The value of certain minimum Wages as referred to in section (2) is calculated based on the minimum Wage value adjustment formula as follows:

$$UM(_{t+1}) = UM_{(t)} + \left[\text{Max}(PE_{(t)}, \text{Inflation}_{(t)}) x \left(\frac{\text{Batas atas}_{(t)} - UM_{(t)}}{\text{Batas atas}_{(t)} - \text{Batas bawah}_{(t)}}\right) \text{x } UM_{(t)}\right]$$

(6) The average consumption per capita, the average number of household members, and the average number of working household members in each household as referred to in section (3) use data in the region concerned.

(7) The value of economic growth or inflation that is used in the minimum Wage value adjustment formula as referred to in section (5) is the value of economic growth or inflation at the provincial level.

(8) The data as referred to in section (6) and section (7) is sourced from institutions authorized in the field of statistics.

Part Two
Provincial Minimum Wage

Article 27

(1) Governor is obligated to determine the provincial minimum Wage every year.

(2) Adjustment of provincial minimum Wage value is carried out in accordance with the stages of calculation as referred to in Article 26.

(3) The adjustment value of the provincial minimum Wage determined must be based on the results of the calculation of the adjustment value of the minimum wage as referred to in section (2).

(4) In the event that the provincial minimum Wage for the current year is higher than the upper limit of the provincial minimum Wage, the governor is obligated to set the provincial minimum Wage for the following year equal to the value of the provincial minimum Wage for the current year.

Article 28

(1) The calculation of adjustments to the value of the provincial minimum Wage as referred to in Article 26 section (2) is carried out by the provincial wage council.

(2) The results of the calculation of the adjustment of the value of the provincial minimum Wage as referred to in section (1) are recommended to the governor through the office administering government affairs in the field of provincial manpower.

Article 29

(1) The provincial minimum Wage is determined by a Governor Decision and announced not later than 21 November of the current year.

(2) In the event that 21 November falls on a Sunday, public holiday, or official holiday, the provincial minimum Wage is determined and announced by the governor 1 (one) day before the Sunday, public holiday, or official holiday.

(3) The provincial minimum Wage as referred to in section (1) and section (2) applies as of 1 January of the following year.

(4) The implementation of the provisions as referred to in section (1) and section (2) must not conflict with the wage policy as referred to in Article 4.

Part Three

Regency/Municipal Minimum Wage

Article 30

(1) Governor may determine the regency/municipal minimum Wage with certain conditions.

(2) The certain conditions as referred to in section (1) are:

a. the average economic growth of the regency/city concerned during the last 3 (three) years of available data for the same period, higher than the average provincial economic growth; or

b. the value of economic growth minus inflation regency/city concerned for as long as the last 3 (three) years of available data for the same period, always positive, and higher than the provincial value.

Article 31

(1) The regency/municipal minimum Wage is determined after the determination of the provincial minimum Wage.

(2) The regency/municipal minimum Wage as referred to in section (1) must be higher than provincial minimum Wage.

Article 32

(1) Determination of the regency/municipal minimum Wage for that has not yet had the minimum Wage uses minimum Wage calculation formula with the following stages:

a. calculating the relative value of the regency/municipal minimum Wage to the provincial minimum Wage based on the ratio of purchasing power parity, with the following formula:

$$UMK_{(F1)} = \frac{\text{Regency/Municipal PPP}}{\text{Provincial PPP}} x\ UMP_{(t)}$$

b. calculating the relative value of the regency/municipal minimum Wage to the provincial minimum Wage based on the ratio of employment rate, with the following formula:

$$UMK_{(F2)} = \frac{1 - \text{Regency/Municipal TPT}}{1 - \text{Provincial TPT}} x\ UMP_{(t)}$$

c. calculating the relative value of the regency/municipal minimum Wage to the provincial minimum Wage based on the ratio of median wage, with the following formula:

$$UMK_{(F3)} = \frac{\text{Median Regency/Municipal Wage}}{\text{Median Provincial Wage}} x\ UMP_{(t)}$$

d. calculating the average relative value of UMK as referred to in point a, point b, and point c, with the following formula:

$$UMK_{(t+1)} = \frac{UMK(F1) + UMK(F2) + UMK(F3)}{3}$$

(2) The variables of purchasing power parity, employment rate, and median wage as referred to in section (1) are each calculated based on the average value of the last 3 (three) years of available data for the same period.

(3) In the event that certain conditions as referred to in Article 30 section (2) are not met, the governor may not set a regency/municipal minimum Wage that have not yet had regency/municipal minimum Wage.

Article 33

(1) The calculation of the regency/municipal minimum Wage value is carried out by the regency/municipal wage council.

(2) The regency/municipal minimum Wage calculation results as referred to in section (1) is submitted to the regent/mayor to be recommended to the governor through the office administering government affairs in the field of provincial manpower.

(3) In the event that the regency/municipal minimum Wage calculation results is lower than the provincial minimum Wage, the regent/mayor cannot recommend the regency/municipal minimum Wage to the governor.

Article 34

(1) Determination of the regency/municipal minimum Wage that already has a regency/municipal minimum Wage is carried out by adjusting minimum Wage value.

(2) The regency/municipal minimum Wage value is adjusted in accordance with calculation stages as referred to in Article 26.

(3) Economic growth or inflation used in the formula for adjusting the minimum Wage value as referred to in Article 26 section (5) is the value of economic growth or inflation at the provincial level.

(4) The regency/municipal minimum Wage value adjustment calculation as referred to in section (2) is conducted by the regency/municipal wage council.

(5) Calculation result of regency/municipal minimum Wage value adjustment as referred to in section (4) is submitted to the regent/mayor to be recommended to the governor through the office administering government affairs in the field of provincial manpower.

(6) In the event that the regency/municipal minimum Wage for the current year is higher than the upper limit of the regency/municipal minimum Wage, the regent/mayor must recommend to the governor that the regency/municipal minimum Wage value of the following year to be equal to the regency/municipal minimum Wage value of the current year.

Article 35

(1) The Governor seeks the advice and consideration of the provincial wage council in determining the regency/municipal minimum Wage recommended by the regent/mayor.

(2) The regency/municipal minimum Wage is determined by a Governor Decision and announced not later than 30 November of the current year.

(3) In the event that 30 November falls on a Sunday, public holiday, or official holiday, the regency/municipal minimum Wage is determined and announced by the governor 1 (one) day before the Sunday, public holiday, or official holiday.

(4) The regency/municipal minimum Wage as referred to in section (2) and section (3) applies as of 1 January of the following year.

(5) The implementation of the provisions as referred to in section (1), section (2), and section (3) must not conflict with the wage policy as referred to in Article 4.

CHAPTER VI
LOWEST WAGES IN MICRO AND SMALL ENTERPRISES

Article 36

(1) The provisions of minimum Wage as referred to in Article 23 to Article 35 are exempted for micro and small enterprises.

(2) Wages in micro and small enterprises are determined based on an agreement between the Employers and the Workers/Labourers in the Company with the following provisions:
   a. at least 50% (fifty percent) of the average public consumption at the provincial level; and
   b. the agreed Wage value is at least 25% (twenty-five percent) above the poverty line at the provincial level.

(3) The average community consumption and poverty line as referred to in section (2) point a and point b use data sourced from institutions authorized in the field of statistics.

Article 37

Micro and small enterprises as referred to in Article 36 section (1) must fulfill certain criteria determined in accordance with the provisions of legislation.

Article 38

Micro and small enterprises that are exempted from the minimum Wage provisions are obligated to consider the following factors:

a. relying on traditional resources; and/or
b. not engaged in high-tech business and not capital intensive.

CHAPTER VII
WAGE PROTECTION

Part One
Overtime Pay

Article 39

Overtime pay is required to be paid by Employer who employs Worker/Labourer for longer than normal working hours or on the weekly off days or employed on official holidays as compensation to the concerned Worker/Labourer in accordance with the provisions of legislation.

Part Two
Wages for Absence from Work and/or Failure to Perform Work Due to Certain Reasons

Article 40

(1) Wage is not paid if the Worker/Labourer is absent from work and/or not performing work.

(2) The provisions as referred to in section (1) do not apply and the Employer is obligated to pay the Wage if the Worker/Labourer:
   a. is unable to perform;
   b. engages in other activities outside his/her work;
   c. exercises his/her right to rest or leave; or
   d. is willing to do the promised work but the Employer does not put them to work due to the Employer's own mistakes or obstacles that the Employer could have avoided.

(3) Reasons for Workers/Labourers absent from work and/or not performing work due to inability to perform as referred to in section (2) point a covers:
   a. Worker/Labourer is sick so he/she is unable to perform the work;
   b. female Worker/Labourer who is sick on the first and second day of her menstrual period so that she is unable to perform work; or

c. Worker/Labourer who is absent from work due to:
   1. getting married;
   2. marrying off their child;
   3. circumcision of their child;
   4. baptism of their child;
   5. his wife giving birth or having miscarriage;
   6. husband, wife, parents, parent-in-law, child, and/or son or daughter-in-law passed away; or
   7. a family member other than the ones as referred to in point 6 who lives in the same house passed away.

(4) Reasons for Workers/Labourers absent from work and/or not performing the work due to other activities outside their work as referred to in section (2) point b covers:
   a. fulfilling obligations to the State;
   b. performing the religious duties enjoined by his/her religion;
   c. performing duties of the Trade Union with the consent of the Employer and can be proven by a written notice; or
   d. performing educational and/or training duties from the Company

(5) Reasons for Workers/Labourers absent from work and/or not performing work due to exercising his/her right to rest or leave as referred to in section (2) point c if the Worker/Labourer exercises:
   a. right of weekly rest;
   b. annual leave;
   c. long rest;
   d. maternity leave before and after childbirth;or
   e. leave due to miscarriage.

Article 41

(1) Wages paid to Workers/Labourers who are absent from work and/or not doing the work due to sickness as referred to in Article 40 section (3) point a are as follows:

a. for the first 4 (four) months, it is paid for 100% (one hundred percent) of the Wage;
b. for the second 4 (four) months, it is paid for 75% (seventy-five percent) of the Wage;
c. for the third 4 (four) months, it is paid for 50% (fifty percent) of the Wage; and
d. for the following month, it is paid for 25% (twenty-five percent) of the Wage before the Termination of Employment by the Employer.

(2) Wages paid to female Workers/Labourers who are absent from work and/or not performing work due to sickness on the first and second days of their menstrual period as referred to in Article 40 section (3) point b is adjusted to the number of days of their menstrual period, a maximum of 2 (two) days.

(3) Wages paid to Workers/Labourers who are absent from work and/or not performing work as referred to in Article 40 section (3) point c are as follows:
a. Workers/Labourers who get married, are paid for 3 (three) days;
b. marrying off their child, are paid for 2 (two) days;
c. circumcision of their child, are paid for 2 (two) days;
d. baptism of their child, are paid for for 2 (two) days;
e. the wife gave birth or had miscarriage, are paid for 2 (two) days;
f. husband, wife, parents, parents-in-law, children, and/or son or daughter-in-laws passed away, are paid for 2 (two) days; or
g. family members other than the ones as referred to in point f who live in 1 (one) house passed away, are paid for 1 (one) day.

Article 42

(1) Workers/Labourers who perform their obligations to the State as referred to in Article 40 section (4) point a for not longer than 1 (one) year and the income paid by the State is less than the amount of Wages the Worker/Labourer

usually received, the Employer is obligated to pay the shortage.

(2) Workers/Labourers who perform their obligations to the State as referred to in Article 40 section (4) point a for not longer than 1 (one) year and the income paid by the State is the same or more than the amount of Wages Workers/Labourers normally receives, Employers are not obligated to pay.

(3) Workers/Labourers who perform their obligations to the State as referred to in section (1) and section (2) are obligated to notify the Employer in writing.

Article 43

Employers are obligated to pay Wages to Workers/Labourers who are absent from work or not performing their work due to performing religious duties enjoined by their religion as referred to in Article 40 section (4) point b, for as much as the amount of Wages received by Workers/Labourers under the condition only once during the Worker/Labourer work in the concerned Company.

Article 44

Employers are obligated to pay Wages to Worker/Labourer who is absent from work and/or not performing the work due to performing duties of Trade Unions as referred to in Article 40 section (4) point c, for as much as the amount of Wages normally received by Workers/Labourers.

Article 45

Employers are obligated to pay Wages to Worker/Labourer who is absent from work and/or not performing the work due to carrying out educational and/or training duties from the Company as referred to in Article 40 section (4) point d, for as much as the amount of Wage normally received by Worker/Labourer.

Article 46

Employer is obligated to pay Wage to Worker/Labourer who is absent from work and/or not performing the work because they exercise their right to rest or leave as referred to in Article 40 section (5), for as much as the amount of Wage normally received by Worker/Labourer.

Article 47

The implementation of the provisions as referred to in Article 40 to Article 46 is regulated in Employment Contract, Company Regulations, or Collective Bargaining Agreement.

Part Three

Wage Review

Article 48

(1) Employers are obligated to review Wages periodically with due regard to the Company's ability and productivity.

(2) Wages review as referred to in section (1) is regulated in the Employment Contract, Company Regulations, or Collective Bargaining Agreement.

Part Four

Payment of Wages in the Event of Bankruptcy

Article 49

(1) In the event that a company is declared bankrupt or liquidated based on the provisions of legislation, wages and other rights that have not been received by Worker/Labourer constitute debts whose payment takes precedence.

(2) The Wages of Workers/Labourers as referred to in section (1) take precedence in payment before payment to all creditors.

(3) Other rights of Workers/Labourers as referred to in section (1) take precedence in payment over all creditors except creditors holding property security rights.

Article 50

If the Worker/Labourer falls into bankruptcy, the Wages and all payments arising from the Employment Relation are not included in the bankruptcy unless otherwise determined by the judge provided that it does not exceed 25% (twenty five percent) of the Wage and all payments arising from the Employment Relation that must be paid.

Part Five

Wage Confiscation Based on Court Order

Article 51

If the money provided by the Employer to pay Wage is confiscated by a bailiff based on a court order, the confiscation must not exceed 20% (twenty percent) of the amount of Wage to be paid.

Part Six

Worker/Labourer Right to Wage Statement

Article 52

(1) Worker/Labourer or their legally appointed proxies have the right to request information regarding Wage for themselves in the event that such information regarding Wage can only be obtained through Company documents.
(2) If the request for information as referred to in section (1) is unsuccessful, the Worker/Labourer or the appointed proxy have the right to request assistance from the Labour Inspector.
(3) The information as referred to in section (1) and section (2) is required to be kept confidential in accordance with the provisions of legislation.

CHAPTER VIII

FORM AND MANNER OF WAGE PAYMENT

Article 53

(1) Wage must be paid by Employers to the Worker/Labourer concerned.

(2) Employer is obligated to provide proof of payment of Wage which contains details of the Wage received by the Worker/Labourer at the time the Wage are paid.

(3) Wage payments by Employers are made based on Employment Contracts, Company Regulations, or Collective Bargaining Agreement.

(4) Wage as referred to in section (1) may be paid to a third party based on a power of attorney from the Worker/Labourer concerned.

Article 54

(1) Payment of wages must be made in the rupiah currency of the Unitary State of the Republic of Indonesia.

(2) The wages as referred to in section (1) must be paid in full in each period and per wage payment date.

Article 55

(1) Employer is obligated to pay wages at the time agreed between the employer and the Worker/Labourer.

(2) In the event that the day or date that has been agreed to fall on a holiday, closed day, or rest day, the implementation of wage payment is regulated in the Employment Contract, Company Regulation, or Collective Bargaining Agreement.

(3) Wage may be paid on a daily, weekly, or monthly basis.

(4) Period of payment of Wage by employers may not exceed 1 (one) month.

Article 56

(1) Payment of Wage is made at the place stipulated in the Employment Contract, Company Regulation, or Collective Bargaining Agreement.

(2) In the event that the place of payment of wages is not stipulated in the Employment Contract, Company Regulation, or Collective Bargaining Agreement, the payment of Wage is made at the place where the Worker/Labourer works.

Article 57

(1) Wage may be paid directly to Worker/Labourer or through the bank.

(2) In the event that Wage is paid through a bank, the Wage must be cashed by the Worker/Labourer on the date of wage payment agreed by both parties.

CHAPTER IX
MATTERS THAT CAN BE CALCULATED WITH WAGE

Part One
General

Article 58

(1) Matters that can be calculated with Wage consist of:
   a. fines;
   b. indemnity:
   c. Wage deductions;
   d. Wage advances;
   e. rent of house and/or rent of goods owned by the Company which are rented out by the employer to Workers/Labourers; and/or
   f. debts or installments of debts of Workers/Labourers; and/or
   g. overpayment of wages.

(2) Matters that can be calculated with wages as referred to in section (1) are implemented in accordance with the Employment Contract, Company Regulation, or Collective Bargaining Agreement.

Part Two
Fines

Article 59

(1) Employers or Workers/Labourers who violate the provisions in an Employment Contract, Company Regulation, or Collective Bargaining Agreement due to

their intentions or negligence are subject to a fine if expressly regulated in the Employment Contract, Company Regulation, or Collective Bargaining Agreement.

(2) In the event that the fine is not regulated in the Employment Contract, Company Regulations, or Collective Bargaining Agreement then the imposition of fines refers to the applicable provisions of this Government Regulation.

Article 60

(1) Fines to Employers or Workers/Labourers as referred to in Article 59 are used only for the benefit of Workers/Labourers.

(2) Types of violations that may be subject to fines, an amount of fines, and the use of fines are regulated in Work Agreements, Company Regulations, or Collective Bargaining Agreements.

Article 61

(1) Employers who are late in paying and/or not paying Wages as referred to in Article 55 section (1) are subject to a fine, provided that:

a. starting from the fourth day until the eighth day from the date the wages should have been paid, a fine of 5% (five per cent) is imposed for each day of delay from the wages that should have been paid;

b. after the eighth day, if the Wage is still unpaid, a late fee as referred to in point a is imposed plus 1% (one per cent) for each day of delay with the following provisions 1 (one) month must not exceed 50% (fifty per cent) of the Wage that should have been paid; and

c. after one month, if Wage is still unpaid, a late fee is imposed as referred to in point a and point b plus interest at the highest prevailing interest rate at a state bank.

(2) The imposition of a fine as referred to in section (1) does not eliminate the Employer's obligation to continue to pay Wages to Workers/Labourers.

Article 62

(1) Employers who are late in paying religious holiday allowance to Workers/Labourers are subject to a fine of 5% (five percent) of the total religious holiday allowance that must be paid from the expiry of the deadline for the Employer's obligation to pay.

(2) Imposition of fines as referred to in section (1) does not eliminate the Employer's obligation to continue to pay religious holiday allowance to Workers/Labourers.

Part Three

Wage Deductions

Article 63

(1) Wage deductions by Employers may be made for payment:
   a. Fines;
   b. indemnity;
   c. advance payment of Wage;
   d. rent of houses and/or rent of goods owned by the Company which are rented out by the Employer to Workers/Labourers;
   e. debts or installments of debts of workers/labourers; and/or
   f. overpayment of wages.

(2) Wage deductions as referred to in section (1) point a, point b, and point c are made in accordance with the Employment Contract, Company Regulation, or Collective Bargaining Agreement.

(3) Wage deductions as referred to in section (1) point d and point e must be carried out based on a written agreement.

(4) Wage deductions as referred to in section (1) point f is done without the consent of Workers/Labourers.

Article 64

(1) Wage Deductions by Employers for third parties may only be made based on a power of attorney from the Worker/Labourer.

(2) A power of attorney may be revoked at any time.

(3) Power of attorney from the Worker/Labourer is exempted for all payment obligations by the Worker/Labourer towards the state or contribution as a participant in an agency administering social security established in accordance with the provisions of legislation.

Article 65

The total amount of Wage deductions as referred to in Article 63 is for a maximum of 50% (fifty percent) of each wage payment received by the Worker/Labourer.

CHAPTER X
WAGE AS THE BASIS FOR CALCULATION OR PAYMENT OF RIGHTS AND OTHER OBLIGATION

Part One
Wages as the Basis for Calculation of Severance Pay and Service Pay

Article 66

(1) The components of wages used as the basis for calculating severance pay and service pay consist of:
   a. Basic Wage; and
   b. fixed allowance given to Workers/Labourers and their families.

(2) In the event that the Employer pays Wage without benefits, the basis for calculating severance pay and service pay is the Wage without benefits.

(3) In the event that the components of Wage used are basic Wage and non-fixed allowances, the basis for calculating severance pay and service pay is basic Wage.

Article 67

(1) Wages for the payment of severance pay and service pay as referred to in Article 66 are paid under the following provisions:
   a. in the event that the income of the Worker/Labourer is paid on the basis of daily calculation, the monthly Wage equals to 30 (thirty) times the daily Wage; or
   b. in the event that the Worker's/Labourer's wages are paid on the basis of piece-rate calculation, the monthly wage is equal to the average earnings in the last 12 (twelve) months.

(2) In the event that the monthly Wage as referred to in section (1) point b is lower than the minimum Wage, the Wage which is the basis for the calculation of severance pay and service pay is the minimum Wage applicable in the area where the Worker/Labourer works.

Part Two

Wage as a Basis for Calculation of Income Tax

Article 68

(1) Wage for the calculation of income tax paid for income tax is calculated from all income received by the Worker/Labourer.

(2) Income tax as referred to in section (1) may be charged to the Employer or Worker/Labourer as regulated in a Employment Contract, Company Regulation, or Collective Bargaining Agreement.

(3) Wage for the calculation of income tax is carried out in accordance with the provisions of legislation.

CHAPTER XI

WAGE COUNCIL

Article 69

(1) The wage council consist of:
   a. the national wage council; and

b. the provincial wage council.

(2) If necessary, a regency/municipal wage council may be established.

Article 70

(1) The national wage council is established by President.

(2) The Provincial wage council is established by The Governor.

(3) Regency/municipal wage council is established by the regent/mayor.

Article 71

(1) The national wage council has duty to provide advice and considerations to the Central Government in the framework of:

a. formulation of wage policies; and

b. preparation and development of the wage system.

(2) The provincial wage council has duty to provide advice and considerations to the governor in the framework of:

a. determination of the provincial minimum wage;

b. the determination of the regency/municipal minimum wage for the proposing regency/city; and

c. preparation of materials for the formulation of wage system development.

(3) The regency/municipal wage council has duty to provide advice and considerations to the regent/mayor in the framework of:

a. proposing the regency/municipal minimum wage; and

b. preparation of materials for the formulation of wage system development.

Article 72

(1) The membership of the wage council consists of elements of the government, employers' organizations, trade unions, academics and experts.

(2) Membership of the wage council from elements government attached to the council is ex officio position.

(3) Membership of the wage council consists of elements from the government, Employers' organizations, and Trade Unions with a composition ratio of 2:1:1 (two to one to one).

(4) Membership of the wage council from the elements of the number of academics and experts was adjusted as needed.

(5) The membership of the wage council consists of above:

a. chairperson, concurrently as a member from the government element in the field of manpower;

b. vice chairperson:

1. as many as 2 (two) persons concurrently as members each from the elements ofTrade Union and Employers organizations, for the national wage council.

2. as many as 1 (one) person concurrently as a member from academics, for provincial wage council and regency/municipal wage council.

c. the secretary, concurrently as a member of the government element representing the ministry administering government affairs in the field of manpower or the office administering government affairs in the field of manpower.

(6) All members of the wage council as referred to in section (1) are in odd numbers.

Article 73

(1) To support the smooth implementation of the routine duty of the national wage council, provincial wage council, and regency/municipal wage council, they are assisted by a secretariat.

(2) The secretariat of the national wage council is established by the Minister.

(3) The secretariat of the provincial wage council is established by the governor.

(4) The secretariat of the regency/municipal wage council is established by the regent/mayor.

Article 74

(1) Members of the national wage council are appointed and dismissed by the President on the recommendation of the Minister.

(2) Members of the provincial wage council are appointed and dismissed by the governor on the proposal of the head of the office administering government affairs in the field of provincial manpower.

(3) Members of the regency/municipal wage council are appointed and dismissed by the regent/mayor upon the proposal of the head of the office administering government affairs in the field of regency/municipal manpower.

(4) Further provisions regarding the procedures for the appointment and dismissal of wage council are regulated by a Ministerial Regulation.

Article 75

(1) To be able to be appointed as a member of Wage council, a prospective member must fulfill requirements:
   a. an Indonesian citizen;
   b. at least has a bachelor's degree for the national wage council and provincial wage council;
   c. at least has a diploma-III (D-III) degree for the regency/municipal wage council; and
   d. has experience in the field of wages human resources or knowledge and development.

(2) Members of the wage council from elements of Employers' organizations and Trade Unions are appointed for 1 (one) term of office for 3 (three) years and may be re-appointed only for a maximum of 1 (one) subsequent term of office.

(3) Wage council members from academic elements and experts are appointed for 1 (one) term of office for 3 (three) years and may be re-appointed only for a maximum of 2 (two) subsequent terms of office.

(4) In addition to the expiry of the term of office, a member of the wage council is terminated if:

a. resigns;

b. is unable to perform their duties for 3 (three) consecutive months;

c. is convicted of a criminal offence with a court decision that has permanent legal force;

d. violates the provisions regulated in the working procedures of the wage council; or

e. is proposed by the organization or institution that to be replaced due to organizational changes.

(5) Replacement of members of the wage council dismissed on the reasons as referred to in section (4), is proposed by:

a. Minister to the President after receiving a proposal from the relevant ministry or organization concerned, for members of the national wage council;

b. the head of the office administering government affairs in the field of provincial manpower to the governor after receiving a proposal from the office administering government affairs in the relevant field in the province or the organization concerned, for members of the provincial wage council;

c. the head of the office administering government affairs in the field of manpower in the regency/city to the regent/mayor after receiving a proposal from the office that administers government affairs in the related field in the regency/city or the organization concerned, for members of the regency/municipal wage council.

(6) In the event that a member of wage council resigns at his/her own request as referred to in section (4) point a, the request is submitted by the member concerned to:

a. Minister with a copy to the organization or agency proposing to be submitted to the President, for members of national wages council;

b. the head of the office administering government affairs in the field of provincial manpower with a copy to the proposing organization or agency to be submitted to the governor, for members of the provincial wage council;

c. the head of the office administering government affairs in the field of manpower in the regency/city with a copy to the organization or agency that proposes to be submitted to the regent/mayor, for members of the regency/municipal wage council.

(7) Further provisions regarding the procedures for replacing members of the wage council are regulated by a Ministerial Regulation.

Article 76

(1) Suggestions and considerations of the wage council submitted in the form of a letter of recommendation.

(2) The formulation of suggestions and considerations is carried out based on deliberation for consensus.

(3) In the event that deliberations do not reach consensus, a majority vote may be taken.

(4) Provisions regarding the working procedures of the wage council are regulated by a Ministerial Regulation.

Article 77

(1) Funding required for the implementation of the duties of the national wage council is borne by the State Budget of the ministry administering government affairs in the field of manpower.

(2) Funding required for the implementation of the duties of the provincial wage council is borne by the Provincial Budget.

(3) Funding required for the implementation of the duties of the regency/municipal wage council is borne by the Regency/Municipal Budget.

(4) In addition to the funding sources as referred to in section (1), section (2), and section (3), the source of funding

required for the implementation of the duties of the wage council may come from other legal and non-binding sources.

CHAPTER XII
INSPECTION

Article 78

Labour inspection of the implementation of the provisions in this Government Regulation is carried out by Labour Inspectors at the ministry that administers government affairs in the field of manpower and/or the agency that administers government affairs in the field of provincial manpower.

CHAPTER XIII
ADMINISTRATIVE SANCTIONS

Article 79

(1) Employers who violate the provisions of Article 9 section (1), Article 9 section (2), Article 13 section (2), Article 21 section (1), Article 21 section (2), and/or Article 53 section (2) are subject to administrative sanctions in the form of:
   a. written warning;
   b. restriction of business activities;
   c. temporary suspension of part or all of the means of production; and
   d. suspension of business activities.

(2) The imposition of sanctions administrative as referred to in section (1) is carried out in stages.

(3) Written warning as referred to in section (1) point a is a written warning for violations committed by the Employer.

(4) Restrictions on business activities as referred to in section (1) point b include:
   a. restrictions on the production capacity of goods and/or services within a certain time; and/or
   b. postponement of the granting of business license in one or several locations for Companies that have projects in several locations.

(5) Temporary suspension of part or all of the means of production as referred to in section (1) point c is in the form of an action of not running part or all of the means of production of goods and/or services within a certain time.

(6) Suspension of business activities as referred to in section (1) point d is in the form of action to stop the entire production process of goods and/or services in the Company for a certain period of time.

Article 80

(1) The Minister, relevant ministers, governors, regents/mayors, or designated officials in accordance with their authority to impose administrative sanctions as referred to in Article 79 on the Employer.

(2) Imposition of administrative sanctions is given based on the results of an examination conducted by the Labour Inspector which originates from:
   a. complaints; and/or
   b. follow-up of labour inspection result

(3) The follow-up of the results of the inspection conducted by the Labour Inspector is stated in the inspection memorandum.

(4) In the event that the memorandum of examination is not executed by the Employer, the Labour Inspector submits a report on non-compliance with the provisions of legislation along with an inspection memorandum to:
   a. director-general in charge of Labour Inspectors at the ministry administering government affairs in the field of manpower; or
   b. head of the agency that organizes government affairs in the field of provincial manpower, for Labour Inspectors at the agency that administers government affairs in the field of provincial manpower.

(5) The director general or head of office as referred to in section (4) submits a recommendation to the official authorized to impose administrative sanctions.

(6) The relevant minister, governor, regent/mayor, or a designated official notifies the Minister of the implementation of the imposition of administrative sanctions.

Article 81

Provincial and regency/municipal governments that still enforce decisions on minimum wages that contradict this Government Regulation are subject to administrative sanctions in accordance with the provisions of legislation on local government.

CHAPTER XIV

TRANSITIONAL PROVISIONS

Article 82

At the time this Government Regulation comes into force:

a. The 2021 provincial minimum wage and/or district/municipal minimum wage that have been determined by the governor in 2020 are declared to remain in effect until December 2021;
b. Sectoral minimum wage that has been determined before 2 November 2020 remains valid until:
    1. decision letter on determination of sectoral minimum wage expires; or
    2. The provincial minimum wage and/or regency/municipal minimum wage in the area is set higher than the sectoral minimum wage;
c. Provincial sectoral minimum wage and/or regency/municipal sectoral minimum wage determined after 2 November 2020 are required to be revoked by the governor not later than 1 (one) year since its establishment; and
d. Governors may no longer set sectoral minimum wages.

Article 83

(1) For Companies that have provided Wage higher than the stipulated minimum Wage, Employers are prohibited from reducing or lowering Wage.

(2) Employers who violate the provisions as referred to in section (1) are subject to administrative sanctions as referred to in Article 79.

CHAPTER XV

CLOSING PROVISIONS

Article 84

At the time this government regulation comes into force, all legislation which are implementing regulations of Law Number 13 of 2003 on Manpower which regulates wages are declared to remain in effect as long as they do not conflict with this Government Regulation.

Article 85

At the time this Government Regulation comes into effect, Government Regulation Number 78 of 2015 on Wages (State Gazette of the Republic of Indonesia of 2015 Number 237, Supplement to State Gazette of the Republic of Indonesia Number 5747), is repealed and declared ineffective.

Article 86

This Government Regulation comes into force on the date of its promulgation.

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

Issued in Jakarta
on 2 February 2021

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 2 February 2021

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

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2021 NUMBER 46

Jakarta, 21 October 2022
Has been translated as an Official Translation
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of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION AD INTERIM,

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DIREKTUR JENDERAL PERATURAN PERUNDANG-UNDANGAN

DHAHANA PUTRA

ELUCIDATION OF

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

NUMBER 36 OF 2021

ON

WAGES

I. GENERAL

Wages are one of the essential elements in Employment Relations. Wages are always associated with the source of income for Workers/Labourers to achieve a standard of decent living for themselves and their families.

The Wage dimension has a broad scope, both those that are related to aspects of fulfilling the basic needs of Workers/Labourers, as well as those related to aspects of economic growth and expansion of employment opportunities. The policy direction for the development of the wage system emphasizes the protection of Wage for Workers/Labourers to achieve welfare by taking into account the ability of the company and the conditions of the national economy. With this basis, an equitable wage system is expected to be realized.

In addition, the regulation of the wage sector must also be able to responding to the challenges of the dynamics of globalization and information technology transformation that have an impact on changes in the social and economic order, including changes in the pattern of Employment Relation in the field of manpower.

Therefore, wage regulations are required that regulates several strategic issues, including the form of Wage, Wage for Workers/Labourers, minimum Wage and Wage for Workers/Labourers in micro and small enterprises.

The scope of this Government Regulation includes:

a. wage policy;
b. Wage determination based on time unit and/or output unit;
c. salary structure and scale;
d. minimum Wage;
e. Lowest wages in micro and small enterprises;
f. protection of Wage;
g. form and manner of payment of Wage;
h. matters that can be calculated with Wage;
i. Wage as the basis for calculating or paying other rights and obligations;
j. wage council; and
k. administrative sanction.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

Sufficiently clear.

Section (2)

The term "obtain equal treatment" means that Employers apply the wage system without discriminating against gender, ethnicity, race, religion, color, and political sect.

Section (3)

The term "work that has equal value" means work of equal weight measured by among others, competence, work risks, and responsibilities in one Company.

Article 3

The term "at the time of the Employment Relation" means the existence of a written or unwritten Employment Contract between the Employer and the Worker/Labourer.

The term "when the employment relation is terminated" includes the death of the Worker/Labourer, the existence of a collective agreement, or the determination of an industrial relations dispute settlement institution.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Section (1)

The term "income that fulfills a decent living for humanity" means amount of receipts or income of the Worker/Labourer from his/her work so as to be able to meet the reasonable living needs of the Worker/Labourer and their family.

Section (2)

Point a

Sufficiently clear.

Point b

The term "non-Wage income" means the receipt of Workers/Labourers from Employers in the form of money to meet religious needs, motivate increased productivity, or improve the welfare of Workers/Labourers and their families.

Article 7

Section (1)

Point a

The term "Wage without allowance" means a fixed amount of money received by the Worker/Labourer without any additional allowances.

Example:

Worker A receives a wage of Rp3,000,000.00 (three million rupiah) as clean wages. The full amount of wages is used as the basis for calculating matters related to wages, including religious holiday allowances, overtime pay, severance pay, social security contributions, and others.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

The term "certain positions or jobs" means a position that has responsibility as a thinker, planner, and controller of the running of the Company, including positions in supervisors, managers, and experts with a wage amount of at least the highest limit of wages for the basis of calculating pension insurance contributions.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "certain businesses" means hotel businesses and restaurant businesses in hotels.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Section (1)

The term "work facilities" means facilities or equipment provided by the Company for certain positions or jobs or all Workers/Labourers to support the implementation of work.

Example:

Facilities of vehicle, delivery vehicles Workers/Labourers, and/or communication tools.

Point a

The term "certain positions or jobs" means a position or activity that requires certain facilities to support the smooth implementation of tasks determined by the Company as a recipient of work facilities.

Point b

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Section (1)

The term "work part time" means working less than 7 (seven) hours 1 (one) day and less than 35 (thirty-five) hours 1 (one) week.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The number 126 (one hundred and twenty-six) is the denominator obtained from the multiplication of 29 (twenty-nine) hours 1 (one) week by 52 (fifty-two) weeks (number of weeks in 1 (one) year) then divided by 12 (twelve) months. The number 29 (twenty-nine) hours is the median working hours. The highest number of part-time Workers/Labourers from all provinces.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

The term "implementation of the provisions of legislation" means the fulfilment of the Employer's obligations to Workers/Labourers, including religious holiday allowances, overtime pay, severance pay, long service pay, and sick pay, as well as social security contributions and benefits.

Article 20

Section (1)

Salary structures and scales are intended, among other things, to:

a. provide equitable Wage;
b. encourage increased productivity in the Company;
c. improve the welfare of Workers/Labourers;

d. ensure certainty of Wage; and

e. reduce the gap between the lowest and highest Wage.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 21

Section (1)

Factors used/selected to assess or weight compensable factors in the preparation of Wage structures and scales include education, skills, and experience required by the position.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "Upper limit $UM_{(t)}$" means a reference to the highest limit for the minimum wage to be determined. UM stands for Minimum Wage.

The term "Average consumption per capita$_{(t)}$" means the average consumption per capita per month calculated from the March national socio-economic survey each year.

The term "Average number of household members$_{(t)}$" means the average number of household members calculated from the March national socioeconomic survey each year. ART stands for Household Members.

The term "Average number of working households" means the average number of working people per household as calculated from the March national socioeconomic survey each year.

Section (4)

The term "UM lower limit$_{(t)}$" means a reference to the lowest limit for the minimum wage to be determined.

The term "Upper limit of UM$_{(t)}$" means a reference to the highest limit for the minimum wage to be determined.

Section (5)

The term "UM$_{(t+1)}$" means the minimum wage to be determined.

The term "UM$_{(t)}$" means the minimum wage for the current year.

The term "Max(PE$_{(t)}$, Inflation$_{(t)}$)" means the maximum function of economic growth or inflation which is one of the highest values of economic growth or inflation. Max stands for maximum. PE stands for Economic Growth.

The term "PE$_{(t)}$"is the provincial economic growth calculated from economic growth covering the period of the fourth quarter of the previous year and the period of the first, second and third quarters of the current year (in percent).

The term "Inflation$_{(t)}$" means provincial inflation calculated from September of the previous year to September of the current year (in percent).

The term "Upper limit$_{(t)}$" means a reference to the highest limit for the minimum wage to be determined.

The term "Lower limit$_{(t)}$" means a reference to the lowest limit for the minimum wage to be determined.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Section (1)

Point a

The term "$UMK_{(F1)}$" means the value of wages regency/municipal minimum wage by considering the purchasing power parity factor. UMK stands for Regency/Municipal minimum wage.

The term "Regency/Municipal PPP" means the average purchasing power parity of the last 3 (three) years in the district/city concerned. PPP stands for Purchasing Power Parity.

The term "Provincial PPP" means the average purchasing power parity of the last 3 (three) years in the province concerned.

The term "$UMP_{(t)}$" means the provincial minimum wage for the current year. The word UMP stands for Provincial Minimum Wage.

Point b

The term "$UMK_{(F2)}$" means the value of the regency/municipal minimum wage by considering the factor of employment rate.

The term "1- Regency/Municipal TPT" means the average level of employment for the last 3 (three) years in the regency/city concerned. TPT stands for Open Unemployment Rate.

The term "Provincial 1-TPT" means the average employment rate of the last 3 (three) years in the province concerned.

The term "UMP(t)" means the provincial minimum wage for the current year.

Point c

The term "$UMK_{(F3)}$" means the value of the regency/municipal minimum wage by considering the median factor of wages for Workers/Labourers outside state administrators.

The term "Regency/Municipal Median Wage" means the average median wage of Workers/Labourers outside state administrators for the last 3 (three) years in the regency/city concerned.

The term "Provincial Median Wage" means the average median wage of Workers/Labourers outside state administrators for the last 3 (three) years in the province concerned.

The term "$UMP_{(t+1)}$" means the provincial minimum wage for the current year.

Point d

The term "$UMK_{(t+1)}$" means the value of the regency/municipal minimum wage that will be determined.

The term "$UMK_{(F1)}$" means the value of the regency/municipal minimum wage by considering the purchasing power parity factor.

The term "$UMK_{(F2)}$" means the value of the regency/municipal minimum wage by considering the factor of employment rate.

The term "$UMK_{(F3)}$" means the value of the regency/municipal minimum wage by considering the factor of median wages of Workers/Labourers outside the State organizers.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear

Article 40

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "the Worker/Labourer is willing to do the promised work but the Employer does not put them to work" means for example a Worker/Labourer who is ordered to unload a ship's cargo but for some reason the ship does not arrive, the Employer must pay the Worker/Labourer Wage.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Section (1)

The term "periodically" means a certain period of time that is fixed or a certain period of time determined in accordance with the Company's policy.

Section (2)

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

A Worker/Labourer may be subject to bankruptcy due to non-payment of debts to other parties, either to the Employer and/or other persons. In order to guarantee the life of a Worker/Labourer whose entire property is confiscated, there is a guarantee of life for him/her and his/her family. Therefore, in this Article, Wage and other payments to which the Worker/Labourer is entitled are not included in the bankruptcy. Deviations from the provisions of this article can only be made by a judge with a limit of up to 25% (twenty-five percent).

Article 51

Sufficiently clear.

Article 52

Section (1)

The term "Company documents" means documents containing details of wage payments for each Worker/Labourer in the Company.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 53

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

A power of attorney from the Worker/Labourer concerned must include the time limit or period for the Wage payment empowered to the third party.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Sufficiently clear.

Article 57

Sufficiently clear.

Article 58

Sufficiently clear.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Sufficiently clear.

Article 62

Sufficiently clear.

Article 63

Sufficiently clear.

Article 64

Sufficiently clear.

Article 65

Sufficiently clear.

Article 66

Sufficiently clear.

Article 67

Section (1)

Sufficiently clear.

Section (2)

The term "the minimum Wage applicable in the area where the Worker/Labourer works" means the regency/municipal minimum wage in the event that a regency/municipal minimum wage is established in the area. If there is no regency/municipal minimum wage in the area, the provincial minimum wage applies.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Section (1)

In order to provide advice and considerations to the government, the National Wage Council may conduct various activities such as studies, analyses, coordination, and cooperation with related parties.

Section (2)

In order to provide advice and considerations to the governor, the provincial wage council can carry out various activities such as studies, analyses, coordination, and cooperation with related parties.

Section (3)

In order to provide advice and considerations to the regent/mayor, the regency/municipal wage council can conduct various activities such as studies, analyses, coordination, and cooperation with related parties.

Article 72

Sufficiently clear.

Article 73

Sufficiently clear.

Article 74

Sufficiently clear.

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 77

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Sufficiently clear.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear.

Article 83

Sufficiently clear.

Article 84

Sufficiently clear.

Article 85

Sufficiently clear.

Article 86

Sufficiently clear.

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