



WORKER RIGHTS · INDONESIA

Working in Indonesia: Your Rights

What every worker should know, in plain language. No legal jargon.

Read this first — Indonesia's wage floor is provincial, its severance is a formula, and its most valuable allowance is the one newcomers miss: THR, a full month's wage owed before your religious holiday once you have a year in. If you lose the job, the State's job-loss benefit now pays a flat 60% of wages for up to six months. This guide is for workers based in Indonesia.

General information only — not legal advice.

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The Wage Floor: Provincial, Not National

- There is NO national minimum wage. Each province sets a UMP (provincial minimum wage) yearly, under PP 36/2021 as amended by PP 49/2025, by a formula of inflation plus economic growth times a coefficient between 0.5 and 0.9. A city or regency may set a higher UMK — and where a UMK exists, THE UMK IS YOUR FLOOR. Always check the city of the job, not just the province.
- The minimum wage is the floor for workers with LESS THAN ONE YEAR of service. At one year and beyond, pay follows the company's wage structure and scale, which the employer must draw up.
- Verified 2026 UMPs, effective January 1, 2026 (governor decrees): Jakarta Rp5,729,876 a month (Jakarta has no separate UMK); West Java Rp2,317,601 (its highest UMK is Kota Bekasi at Rp5,999,443); East Java Rp2,446,880.68; Banten Rp3,100,881.40.

Hours and Overtime

- Work follows one of two patterns (PP 35/2021): 7 hours a day, 40 hours a week, 6 days — or 8 hours a day, 40 hours a week, 5 days — with 1 or 2 weekly rest days to match.
- Overtime needs the employer's order AND your approval, and is capped at 4 hours a day and 18 hours a week. The overtime hourly wage is 1/173 of the monthly wage: on a normal workday, the first hour pays 1.5 times and every hour after pays 2 times; rest-day and holiday overtime runs higher, up to 4 times on the longest hours.

Contract Types: PKWT and PKWTT

- PKWTT is the indefinite, permanent form of employment. PKWT is fixed-term: only for work that is temporary by nature, never for work of a permanent character, and at most FIVE YEARS in total, including extensions.
- NO probation may be imposed in a PKWT — a probation clause in one is void. A PKWT must be registered online with the Ministry within 3 working days of signing.

PKWT End-of-Contract Compensation

- When a fixed-term contract ends, the employer owes you compensation money (uang kompensasi), from one month of service onward: 12 months of service earns 1 MONTH'S WAGE, and the amount is pro-rata below and above — $(\text{months worked} \div 12) \times 1 \text{ month's wage}$, calculated on basic wage plus fixed allowances.
- It is paid at the end of each contract period — and if either side ends the contract early, it is calculated on the period actually worked. Foreign workers on a PKWT are the exception: no uang kompensasi is owed to them.

Termination (PHK)

- Termination (PHK) may rest only on the grounds PP 35/2021 lists (Article 36). They include your own application where the employer has, among other misconduct, failed to pay wages on time for 3 or more consecutive months.
- The employer must give written notice at least 14 WORKING DAYS before the termination takes effect — 7 working days during probation. If you reject the termination, your rejection letter, with reasons, must go in within 7 WORKING DAYS, and the dispute enters the ladder in the Disputes section below.

What Termination Pays

- Termination pays three components (Article 40). SEVERANCE (uang pesangon), by service: 1 month's wage under 1 year, rising a month per year to 9 MONTHS at 8 years and beyond. LONG-SERVICE PAY (UPMK): 2 months at 3 to under 6 years, rising to 10 MONTHS at 24 years and beyond. RIGHTS COMPENSATION (UPH): untaken annual leave, repatriation costs to the place of recruitment, and other agreed entitlements.
- The severance is then MULTIPLIED by the reason: 1× in the standard cases, including efficiency to PREVENT losses; 0.5× where closure, takeover, or efficiency is BECAUSE of losses, and for bankruptcy and for violations after three warnings; 0.75× for force majeure that does not close the company; 1.75× at retirement; 2× for prolonged illness or work-injury disability after 12 months, and on death, paid to the heirs.

- Resignation, unexcused absence, and urgent-cause violations carry NO severance — UPH plus separation pay (uang pisah) only.

THR: The Religious-Holiday Allowance

- THR, the religious-holiday allowance, is owed to every worker — permanent and fixed-term alike — with at least 1 month of service, before YOUR religious holiday. At 12 months of service it is ONE FULL MONTH'S WAGE; below that, pro-rata: $(\text{months of service} \div 12) \times 1$ month's wage.
- It must be paid IN FULL — NEVER IN INSTALMENTS — no later than 7 DAYS BEFORE the holiday. Unpaid, late, or instalment-paid THR is reported to the Posko THR posts (see Disputes).

Leave

- Annual leave: at least 12 WORKING DAYS after 12 months of continuous work. You are also owed a rest break of at least 30 minutes after 4 continuous hours of work.
- Menstrual leave stands as written (Article 81): a woman who feels pain and notifies the employer is not obliged to work on the first and second day of her period.
- MATERNITY — two laws, read together. Article 82 gives 1.5 months of leave before and 1.5 months after childbirth. Law No. 4 of 2024 (UU KIA) frames it as at least the first 3 months, extendable by up to 3 more for certified special conditions; dismissal during maternity leave is prohibited, and wages are paid at 100% for months 1 to 4 and 75% for months 5 to 6.

- Paternity: 2 days at the birth, extendable by up to 3 more days by agreement; and 2 days on a miscarriage.

LONG LEAVE is no longer a universal statutory right. Since the Job Creation reforms, it exists only if your employer's own rules provide it (PP 35/2021, Article 35). If a summary promises you long leave by law, it is out of date.

BPJS: Social Security

- Your employer must register you with BPJS Ketenagakerjaan. Contributions are percentages of basic wage plus fixed allowances: work-accident cover (JKK) 0.24% to 1.74% by risk class, paid by the employer; death insurance (JKM) 0.30%, employer-paid; old-age savings (JHT) 5.7% — 3.7% from the employer, 2% from you; pension (JP) 3% — 2% employer, 1% you — on wages up to a periodically adjusted cap.
- JKP, JOB-LOSS INSURANCE: if you lose your job through PHK (not resignation or retirement), the cash benefit is a FLAT 60% OF WAGES FOR UP TO 6 MONTHS, on wages capped at Rp5,000,000 (PP 6/2025, in force since February 7, 2025) — plus job-market information and vocational training, at no extra contribution from you.
- HEALTH (BPJS Kesehatan / JKN): 5% of wages — 4% from the employer, 1% from you — on wages up to Rp12,000,000 a month, through the tiered referral system.

Late Wages

- The pay period may not exceed one month. Late payment is fined under PP 36/2021, Article 61 — and paying the fine NEVER cancels the duty to pay the wage itself, in full.

Disputes: The Ladder

- Disputes climb a ladder that cannot be skipped (Law No. 2 of 2004). Step 1: BIPARTITE negotiation with your employer, to be completed within 30 working days. Step 2: RECORD the dispute at the local Disnaker (manpower office), with proof the bipartite step was attempted — the office routes you to conciliation or arbitration, or, failing agreement on either, to mediation, whose mediator issues a written recommendation. Step 3: the INDUSTRIAL RELATIONS COURT (PHI) at the District Court — there is no appeal to the High Court; the onward remedy is cassation to the Supreme Court.
- Rule violations themselves — unpaid wages, unpaid THR, below-minimum pay — are reported to the labour INSPECTORATE through the local Disnaker.
- Kemnaker channels: Posko THR at poskothr.kemnaker.go.id and on WhatsApp at 081280001112; help centre at bantuan.kemnaker.go.id.

Unions and Strikes

- A union is formed by at least 10 WORKERS (Law No. 21 of 2000) — freely, without interference, and open to all without discrimination.
- A strike is a basic right arising from FAILED NEGOTIATION. To be lawful, it needs written notice to the employer and the local Disnaker at least 7 WORKING DAYS ahead, stating the time, the place, and the reasons.

Foreign Workers

- Foreign workers may be employed only in certain positions and for a certain time, under an approved RPTKA plan. Indonesian workers must be prioritised, and foreign workers are barred from personnel (HR) positions.

Holidays

- Indonesia keeps no permanent statutory holiday list. Each year, the national holidays and the cuti bersama (collective leave days) are fixed by a joint decree of three ministers — the SKB 3 Menteri: Religious Affairs, Manpower, and PANRB. Check the CURRENT year's decree rather than any older list.