NOTES TO OECD 'PENSION METADATA SHEET'

- *The OECD Pension Metadata Sheet aims to provide a clear and concise overview of the content of the columns in the table on social insurance pension schemes, regarding their coverage and the assumptions used in the calculation of the main results. A separate sheet is used for each column. If a column is not relevant in a country, it is requested to explicitly mention so in the relevant sheet.*
- *Relevant additional information (e.g. more detailed descriptions) could be provided as an annex to, or as links within, the sheets.*
- *Countries are requested to provide the metadata sheet together with the transmission of the data for the table on social insurance pension schemes.*
- *The Metadata Sheet should be updated when changes occur in national pension systems or in the compilation of the estimates included in the table on social insurance pension schemes.*
- *The metadata provided should be publishable on the OECD website.*

TABLE 2900 - METADATA SHEET

INDONESIA

May 2020

Table of Contents

1. Column A: Defined contribution schemes managed by non-general government

1. General description of schemes covered and information on calculations	
a. Coverage of the column	
Defined Contribution Pension Program is a pension plan in which the contribution is stipulated in the internal Pension Fund regulations. The contribution and investment results are recorded in the account of each participant as retirement benefits. In this program, in the case of investment risk, the risk is entirely at the participant. The company is only obligated to pay contribution and will never promise to indemnify. This program can be organized by the Employer Pension Fund (EPF) and the Financial Institutions Pension Fund (FIPF). *The number of active Defined Contribution Pension Program as of 31 December 2020 was 44 EPF- DC and 23 the Financial Institutions Pension Fund (FIPF).*	
b. Information on calculations	
Data sources	*EPF-DCPP and FIPF monthly financial report*

2. Any other comments
https://www.ojk.go.id/id/kanal/iknb/data-dan-statistik/dana-pensiun/Pages/-Statistik-Bulanan-Dana-Pensiun-Periode-Desember-2020.aspx

2. Column B: Defined benefit schemes managed by non-general government

1. General description of schemes covered and information on calculations	
a. Coverage of the column	
DBPP is a pension plan whose its pension benefits are stipulated in the internal Pension Fund regulations with a specific formula that takes into account years of service and last salary of participants. This program is only applied in Employer Pension Funds (EPFs). Contribution received by the Pension Fund is the estimated cost needed to pay pension benefits based on actuarial calculation and the possibility of fluctuation. DBPP is paternalistic wherein the employer bears all or most of the risks including investment risks. The number of active Defined Benefit Pension Program as of 31 December 2020 was 148 EPF-DB.	
b. Information on calculations	
Data sources	*EPF-DBPP monthly financial report*
Discount rate (%)	*In the actuarial report, actuarial calculation is always performed by actuaries using interest rate assumptions. This assumption is very useful in determining all actuarial calculations, such as actuarial liabilities, solvency liabilities, Funding Ratio, and Solvency Ratio of a Pension Fund. Based on the Pension Fund actuarial report, the assumption of interest rate used ranged from 6% to 12%. From this data, it can be seen that the assumptions of interest rate widely used by Pension Funds are 9% and 10%.*
Discount rate (info)	
Wage growth assumption	
Demographic assumptions	*In addition to interest rate assumptions, actuaries also use a particular method in actuarial calculation. From the actuarial report of Pension Fund used, the method of calculation that was most widely used by the actuaries is the "Attained Age Normal" method. In addition to the assumptions of interest rate and actuarial calculation, actuaries also assume mortality rate in their calculations. Based on the actuarial report of Pension Fund, the assumptions of mortality rate widely used are GAM 71 and AMT 49.*
2. Any other comments	
https://www.ojk.go.id/id/kanal/iknb/data-dan-statistik/dana-pensiun/Pages/-Statistik-Bulanan-Dana-Pensiun-Periode-Desember-2020.aspx	

3. Column C: Total social insurance pension schemes managed by non-general government

(<u>Only to be completed</u> if no separate information is available for columns A and B)

1. General description of schemes covered and information on calculations	
a. Coverage of the column	
b. Information on calculations	
Data sources	
Discount rate (%)	
Discount rate (info)	
Wage growth assumption	
Demographic assumptions	
2. Any other comments	

4. Column D: Defined contribution schemes managed by general government

1. General description of schemes covered and information on calculations

a. Coverage of the column

Old Age Security, referred to as JHT, is a cash benefit that is paid at the same time when a participant enters retirement, dies, or has permanent total disability. What is meant by retirement age includes participants who stop working because they resign, are laid off and are not actively working anywhere; or participants who leave Indonesian territory forever.

Membership is mandatory according to the participation phase based on Government Regulation number 46 of 2015, which consists of:
1. Wage recipient participants who work for employers other than state administrators
    a. Workers at the company;
    b. Workers in individuals; and
    c. foreigners who work in Indonesia are at least 6 (six) months.
2. Participants are not wage earners
    a. Employer;
    b. Workers outside the employment relationship or self-employed workers; and
    c. Workers who do not include the letter b who do not receive Wages.

The contribution rate for wage recipients is 5.7% of the wages divided by 2% of workers and 3.7% of employers.

The result of the JHT development is at least equal to the average interest rate on government bank counter rates.

b. Information on calculations	
Data sources	*BPJS monthly report to OJK.*

2. Any other comments

5. Column E: Defined benefit schemes for government employees, managed by general government and administered by an autonomous pension fund

1. General description of schemes covered and information on calculations	
a. Coverage of the column	
b. Information on calculations	
Data sources	
Discount rate (%)	
Discount rate (info)	
Wage growth assumption	
Demographic assumptions	
2. Any other comments	

6. Column F: Defined benefit schemes for government employees, managed and administered by general government

1. General description of schemes covered and information on calculations
a. Coverage of the column
b. Information on calculations

Data sources	
Discount rate (%)	
Discount rate (info)	
Wage growth assumption	
Demographic assumptions	

2. Any other comments

7. Column G: Defined benefit schemes for government employees, managed and administered by general government, for which liabilities are not included in the central framework of the SNA

1. General description of schemes covered and information on calculations
a. Coverage of the column
b. Information on calculations

Data sources	
Discount rate (%)	
Discount rate (info)	
Wage growth assumption	
Demographic assumptions	

2. Any other comments

8. Column H: Social security pension schemes

1. General description of scheme(s) covered and information on calculations
a. Coverage of the column

Pension Security Program is a social security program that aims to maintain a decent degree of life for participants and / or their heirs by providing income after participants retire, suffer permanent total disability, or die.

Pension benefits are the amount of money that is paid monthly to participants who enter retirement age, have permanent total disability, or to heirs for participants who die.

Participants of the Pension Insurance Program are registered workers and have paid contributions. Participants are workers who work for employers other than state administrators, namely participants who receive wages consisting of: Workers at companies and Workers at individuals.

The pension insurance contribution is calculated at 3%, consisting of 2% of employer contributions and 1% of employee contributions. The monthly wage used as the basis for calculating contributions consists of basic wages and fixed benefits. For 2020 the highest wage limit used as the basis for calculation is set at Rp8,939,700.00 BPJS Employment adjusts wage rates using a multiplier of 1 (one) plus the annual growth rate of gross domestic product in the previous year. Furthermore, BPJS Employment sets and announces the adjustment of the highest wage limit no later than 1 (one) month after the agency that conducts government affairs in the field of statistics (BPS) announces gross domestic product data.

b. Information on calculations	
Data sources	*BPJS Annual Report*
Discount rate (%)	*YOI 5,93%*
Discount rate (info)	*Assumptions related to the economy consist of :*

Assumptions	2020
inflation rates	2,50%
Yield of investment (YOI)	5,93%
Gross Domestic Product (PDB)	5,00%
contribution rates for the Pension Security Program	7,62%

Wage growth assumption	
Demographic assumptions	*Assumptions used in actuarial calculations:* 1. *Assumptions Regarding demographics namely Mortality Rate, the mortality rate used is the Mortality Rate (TM) of the BPJS Employment 2017* 2. *Assumptions related to Manpower, including the level of labor force participation (TPAK), the level of the labor force employed, and the proportion of workers receiving wages (PU)* 3. *Assumptions related to membership* 4. *Assumptions related to the economy*

2. Any other comments

9. Columns J and K: Counterparts of domestic social insurance pension liabilities (i.e. relating to resident or non-resident households)

1. General description
Allocation to counterpart sector

2. Any other comments

10. Column L: Social insurance pension entitlements of resident households with regard to the rest-of-the-world

1. General description	
Information on calculations	
Data sources/methods	
Discount rate (%)	
Discount rate (info)	
Wage growth assumption	
Demographic assumptions	
2. Any other comments	

11. Links to (national) publications providing further information on the pension schemes

ANNEX

[Any additional information, optional]