

**BOARD OF COMMISSIONERS OF FINANCIAL
SERVICE AUTHORITY CONTRIBUTION, PENSION
BENEFIT, AND OTHER BENEFITS,
PROVIDED BY PENSION FUND**

**(Regulation of Financial Service Authority of R.I
Number 5/POJK.05/2017, dated March 1, 2017)**

WITH THE BLESSING OF THE ONE AND ONLY GOD

Considering:

- a. Whereas, to develop prospective implementation of pension program and to improve the welfare and subsistence of income after service, it is necessary to make adjustment to contribution and pension benefit to participants of pension program;
- b. Whereas, to renew pension program and to overcome / balance the benefit that has developed in the manpower system, it is necessary to initiate other benefit program to add to the benefits of participants of pension program;
- c. Whereas, based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation on Financial Service Authority, pertaining to contribution to Pension Benefit and Other Benefits provided by Pension Fund;

In view of:

1. Law Number 11 Year 1992, concerning Pension Fund (Statute Book of the Republic of Indonesia Year 1992 Number 37, Supplement to Statute Book of the Republic of Indonesia Number 3477);
2. Law Number 21 Year 2011, concerning Financial Service Authority (Statute Book of the Republic of Indonesia Year 2011 Number 111, Supplement to Statute Book of the Republic of Indonesia Number 5253);

3. Government Regulation Number 76 Year 1992, concerning Pension Fund provided by Work Provider (Statute Book of the Republic of Indonesia Year 1992 Number 126, Supplement to Statute Book of the Republic of Indonesia Number 3507);
4. Government Regulation Number 77 Year 1992, concerning Pension Fund Financial Institution (Statute Book of the Republic of Indonesia Year 1992 Number 127, Supplement to Statute Book of the Republic of Indonesia Number 3508);

D E C I D E S :

Stipulate:

REGULATION OF FINANCIAL SERVICE AUTHORITY, CONCERNING CONTRIBUTION, PENSION BENEFIT, AND OTHER BENEFITS PROVIDED BY PENSION FUND.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Regulation of Financial Service Authority by:

1. Pension Fund Financial Entity shall be legal entity that manages and runs program on pension benefits as referred to in Law Number 11 Year 1992, concerning Pension Fund, including Pension Fund constituting the entire or part of its business activities based on Syariah principles.
2. Pension Fund provided by Work Provider hereinafter referred to as DPPK shall be Pension Fund provided by Work Provider duly established by any person or entity employing employees, as founder, to run program on definite pension benefit or program on definite contribution, in the interest of all or a number of its employees as participants, and thereby arising obligations towards the Work Provider as referred to in Law Number 11 Year 1992, concerning Pension Fund.

3. Pension Fund Financial Institution hereinafter referred to as DPLK shall be Pension Fund Finance Institution duly established by a bank or life insurance company to carry out program on definite contribution for individual, either employee or employees, or independent worker, apart from DPPK for employees of any bank or employees of insurance company as referred to in Law Number 11 Year 1992 , concerning Pension Fund.
4. Actuary Assumption shall be collection of anticipated future amendments / changes, used to estimate amount of present payment or future payments, and covering among other things, interest rate, probable death, disability, and rate of increase of pension-based income.
5. Pension Benefit shall be periodcal payments made to participants by the time and by means as stipulated in Regulation on Pension Fund as referred to in Law Number 11 Year 1992, concerning Pension Fund.
6. Other Benefits shall be payment of benefits other than Pension Benefits that may be made from Pension Fund as governed in Regulation on Pension Fund.
7. Present Value shall be value at a certain date of payment or payments to be made after such date, calculated with discounted payment or payments made actually based on assumed interest rate and amounts of probable payment or payments.
8. Income shall be income of individual as referred to in Law Number 7 Year 1983, concerning Income Tax as amended several times and lately amended by Law Number 36 Year 2008, concerning Fourth Amendment to Law Number 7 Year 1983 , concerning Income Tax.
9. Pension-Based Income shall be proportion of or the whole Income of an employee received from a Work Provider and as stipulated in Regulation on Pension Fund of any DPPK as the basis for computing the amount of contribution and/or Pension Benefit of Participants.
10. Work Provider shall be founder or founder partner employing employees as referred to in Law Number 11 Year 1992, concerning Pension Fund.

11. Founder shall be:

- a. person or entity referred to as DPPK; or
- b. bank or life insurance company duly established and referred to as DPLK,
as referred to in Law Number 11 Year 1992, concerning Pension Fund.

12. Regulation on Pension Fund hereinafter referred to as PDP shall be Regulation covering provisions constituting the basis for implementing pension program as referred to in Law Number 11 Year 1992, concerning Pension Fund.

13. Postponed Pension Benefit shall be right to Pension Benefit of Participant resigning from work before reaching normal pension age, which payment is postponed until Participant is pensioned based on PDP as referred to in Law Number 11 Year 1992, concerning Pension Fund.

14. Participant shall be any person that complies with PDP requirements as referred to in Law Number 11 Year 1992, concerning Pension Fund.

15. Rightful Party shall be party having the right to Pension Benefit or Other Benefits if Participant or pensioner dies, such as widow/widower, child, or party appointed by Participant or pensioner if Participant or pensioner is unmarried and has no children.

16. Definite Benefit Pension Program hereinafter referred to as PPMP shall be pension program which benefit is stipulated in PDP or other pension program not constituting pension program with definite contribution as referred to in Law Number 11 Year 1992, concerning Pension Fund.

17. Definite Contribution Pension Program hereinafter referred to as PPIP shall be pension program which contribution is stipulated in PDP and the whole amount of contribution and proceeds of its development is booked in the Participant's respective bank account as Pension Benefit as referred to in Law Number 11 Year 1992, concerning Pension Fund.

18. Monthly Formula shall be method of computing monthly amount of Pension Benefit to be received by Participant.
19. Lumpsum Formula shall be method of computing amount of Pension Benefit to be received by Participant in lumpsum which shall be further converted to monthly Pension Benefit.
20. Insurance Company shall be Life Insurance Company and Syariah Life Insurance Company.

CHAPTER II

PENSION FUND PROVIDED BY WORK PROVIDER

DEFINITE BENEFIT PENSION PROGRAM

Part One

Pension Contribution

Article 2

Contribution at DPPK exercising PPMP covers:

- a. contribution of Work Provider and contribution of Participants; or
- b. contribution by Work Provider.

Article 3

Contribution constituting responsibility of Work Provider at DPPK exercising PPMP shall be computed based on the result of Actuary assessment.

Part Two

Pension Benefit

Article 4

(1) Amount of Pension Benefit is computed using:

- a. Monthly Formula; or
- b. Lumpsum Formula.

(2) Pension Benefit computed using Monthly Formula covers:

- a. Pension Benefit that relates to service year, constituting the sum of multiplication of:
 - 1. factor of appreciation each year of the service years declared in percentage;
 - 2. service year; and
 - 3. Pension-Based Income, in the form of:
 - a) the last-month Pension-based Income;
 - b) average amount of Pension-based Income during the last several months;
 - c) average Pension-based Income during the last several years; or
 - d) average Pension-based Income during the service years;
- b. Pension Benefit not related to service years, constituting the result of multiplication of:
 - 1. factor of appreciation declared in percentage; and
 - 2. Pension-based Income in the form:
 - a) Pension-based Income in the last month;
 - b) average Pension-based Income during the last several months;
 - c) average Pension-based Income during the last several years; or
 - d) average Pension-based Income during the course of service years.

(3) Pension Benefit computed using Lumpsum Formula covering:

- a. Pension Benefit that relates to service year, is the result of multiplication of:
 - 1. factor of appreciation per service year declared in decimal figure;
 - 2. service year; and
 - 3. Pension-based Income in the form of:
 - a) Pension-based Income in the last month;
 - b) average Pension-based Income during the last several months;
 - c) average Pension-based Income during the last several years; or
 - d) average Pension-based Income during the course of service years;
- b. Pension Benefit not related to service year, is the result of multiplication of:
 - 1. factor of appreciation declared in decimal point; and
 - 2. Pension-based Income, in the form of:

- a) Pension-based Income in the last month;
 - b) average Pension-based Income during the last several months;
 - c) average Pension-based Income during the last several years; or
 - d) average Pension-based Income during the service years;
- g. Pension Benefit the result of which asset development is stipulated (cash balance plan) is accumulated sum of multiplication:
- 1. factor of appreciation declared in percentage;
 - 2. Pension-based Income in the last month; and
 - 3. accumulated sum of multiplication of the sum of development with particular rate.

Article 5

- (1) Contribution of Participants in 1 (satu) Year to DPPK exercising PPMP using Monthly Formula as referred to in Article 4 paragraph (1) letter a, shall be maximum three (3) times factor of appreciation for each year service year multiplied by Pension-based Income of factor of appreciation each service year multiplied by Pension-based Income per year.
- (2) Participant's contribution in 1 (satu) year to DPPK implementing PPMP using Lumpsum Formula as referred to in Article 4 paragraph (1) letter b, shall be maximum 3% (three percent) multiplied by factor of appreciation each of the service years multiplied by Pension-based Income per year.

Article 6

- (1) Participant resigning from work and is re-employed by the same Work Provider for a period of 30 (thirty) days, the term of his/her participation in the implementation of Pension Program must be taken into account uninterruptedly.
- (2) The provision referred to in paragraph (1) does not apply if:
 - a. Participant received payment of his/her right all at once, i.e. at least the amount collected during the term of his/her own contribution, plus interest that the resigning Participant with service years of at

least three (3) years reasonably has the right to receive; or

- b. Participant has assigned his/her right to Postponed Pension to DPPK or other DPLK, unless if such right that has been paid or assigned is handed over to the DPPK concerned within 30 (thirty) days as of receipt of payment or the right thereto.

Article 7

- (1) If Participant moves to another job and his/her fund is transferred from the previous DPPK to the new DPPK, then the service years recognized by PPMP shall not exceed the number of service years at the new DPPK and the service years at the previous DPPK.
- (2) If Participant dies or becomes disabled before he/she is pensioned, the maximum service years recognized as referred to in paragraph (1) shall take into account the service years up to the date Participant reaches the normal pension age.

Article 8

- (1) For employee that moves his job, his/her service years at the previous Work Provider may be recognized only if:
 - a. the fund transferred from the previous DPPK to the new DPPK is sufficiently available; or
 - b. the new Work Provider provides sufficient fund in recognition of the service years at the previous Work Provider, and such service years are not recognized yet as element for computing Pension Benefit at the previous Work Provider.
- (2) Recognition of service years in the form of transfer of fund as referred to in paragraph (1) letter a shall be determined in such manner so that the amount of fund transferred is equivalent to the prevailing amount of Pension Benefit based on Pension Benefit applied by the new DPPK and Pension-based Income of the employee concerned prevailing when such fund is received by the new DPPK.
- (3) If the service years referred to in paragraph (2) is shorter than the actual service years with the previous

below:

- a. Pension Benefit computed based on Monthly Formula shall be based on the formula as stipulated by PD...
- b. Pension Benefit computed based on Lumpsum Formula, must be based on the Table prepared under Actuary Assumption containing factor for converting Pension Benefit computed all at once to change to monthly payment.

Article 11

Accelerated payment of Pension Benefit shall be made to Participant resigning from work with service years of at least ten (10) years before the normal pension age or due to disability, of maximum equivalent to the service years computed based on Pension Benefit Formula as set forth in PDP.

Article 12

- (1) Amount of Pension Benefit paid for:
 - a. payment made all at once due to Participant's death with more than ten (10) years service years but before reaching normal pension age; or
 - b. assignment of right of Participant to DPPK or other DPLK for Participant resigning from work with ten (10) years service years before reaching normal pension age, shall be the Present Amount of Pension Benefit computed based on Actuary Assumption used in the last Actuary's Report, except projected rate of increase of Pension-based Income, rate at resigning, and at disability.
- (2) Amount of Pension Benefit payable in the context of assignment of right of Participant from DPPK or other DPLK from Participant resigning from work is less than ten (10) years before reaching the normal pension age shall be the Present Amount of the computed Pension Benefit at PDP.

Article 13

- (1) If Pension Benefit is computed based on Monthly Formula which Pension Benefit thereof is related to service years as referred to in Article 4 paragraph (2) letter a, amount of factor of appreciation per year during

Work Provider, recognition of service years that is longer than the service years based on the fund being transferred may be made in line with the fund, this shall be recognized based on the fund transferred, thereby longer service years based on the fund transferred shall be recognized if:

- a. the new Work Provider covers up the shortage of fund; and
- b. recognition of service years with the previous Work Provider shall not exceed the actual service years.

(4) If the fund transferred as referred to in paragraph (1) letter a exceeds the amount of obligation arising as the result of recognition of the entire service years at the previous Work Provider, the Participant concerned shall be granted additional service years which number of service years shall be decided in such a manner so that the obligation arising from such added service years is equivalent to the excess fund available.

(5) The recognition of service years as referred to in paragraph (1) letter b, paragraph (2) and paragraph (3), or additional service years as referred to in paragraph (4) may be made:

- a. in the presence of written agreement between Participant and the new Work Provider covering approval of the parties on the transfer of fund and obligation pertaining to service years at the previous Work Provider; or
- b. written statement by the new Work Provider on its commitment to finance the recognition of Participant's service years at the previous Work Provider.

Article 9

(1) To compute Pension Benefit for part of work services less than one (1) year shall be accounted for:

- a. in prorate; or
- b. rounding-up.

(2) The financment arising from the rounding-up as referred to in paragraph (1) letter b shall be on account of the Work Provider.

Article 10

With respect to payment of Pension Benefit, the amount to be shall be computed based on the provisions

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the service years shall not exceed 2,5% (two comma five percent), and Pension Benefit per month shall not exceed 80% (eighty percent) of the last monthly Income.

(2) If Pension Benefit is computed based on Monthly Formula wherein Pension Benefit thereof is not related to service years as referred to in Article 4 paragraph (2) letter b, such monthly Pension Benefit shall not exceed 80% (eighty percent) of the last monthly Income.

(3) If Pension Benefit computed using Lumpsum Formula wherein the Pension Benefit is related to service years as referred to in Article 4 paragraph (3) letter a, the amount of factor of appreciation each year of service years shall not exceed 2,5 (two comma five) times, and Pension Benefit shall not exceed 80 (eighty) times the latest monthly Income.

(4) If Pension Benefit is computed using Lumpsum Formula whereby the Pension Benefit is not related to service years as referred to in Article 4 paragraph (3) letter b, the amount in factor of appreciation does not exceed 80 (eighty percent) of the latest monthly Income.

(5) If Participant's right to Pension Benefit is computed by Pension Benefit Formula as referred to in paragraph (1) and paragraph (2) reaches the maximum limit, the provisions in PDP shall govern that contribution of the Participant concerned to DPPK exercising PPMP hereby concluded.

(6) Payment of Pension Benefit computed based on Pension Benefit Formula as referred to in paragraph (1) dan paragraph (2), shall be made monthly.

Article 14

PDP of DPPK exercising PPMP may decide on the difference of amount of factor of appreciation with due observance of principles of equal and justice, and not exceeding the maximum limit as referred to in Article 13 paragraph (1) and paragraph (3).

Article 15

Participant of DPPK exercising PPMP at pension, or at termination, and for the Rightful Party preferring to receive the first Pension Benefit of maximum 20% (twenty percent) or Pension Benefit all at once.

Article 16

(1) Participant or Rightful Party at DPPK exercising PPMP has the right to select payment of Pension Benefit all at once, if:

a. Pension Benefit to be paid monthly uses Monthly Formula:

1. less than or equivalent to Rp.1.600.000,00 (one million, six hundred thousand Rupiahs); or
2. above Rp.10.000.000,00 (ten million Rupiahs);

b. Pension Benefit computed in Lumpsum for amount of:

1. less than or equivalent to Rp.500.000.000,00 (five hundred million Rupiahs); or
2. above Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs).

(2) Pertaining to payment of Pension Benefit computed by method below:

- a. Monthly Formula for amount above Rp.10.000.000,00 (ten million Rupiahs) as referred to in paragraph (1) letter a figure 2, payment shall be made all at once, shall mean that payment of excess amount of difference of the Pension Benefit received after deducting Rp.10.000.000,00 (ten million Rupiahs); or
- b. payment using Lumpsum Formula which amount exceeding Rp.1.500.000.000,00 (one billion five hundred million Rupiahs) as referred to in paragraph (1) letter b figure 2, made all at once / in lumpsum only applies to the excess difference of Pension Benefit received after deducting Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs).

(3) If Participant is pensioned or is dismissed and the Rightful Party elects payment of his/her first Pension Benefit in lumpsum as referred to in Article 15, the Pension Benefit referred to in paragraph (1) shall be computed if he/she takes his/her first Pension Benefit.

(4) Payment of Pension Benefit computed based on Monthly Formula which amount exceeds Rp.10.000.000,00

(ten million Rupiahs) as referred to in paragraph (1) letter a figure 2 and that using Lumpsum Formula for any amount exceeding Rp.1.500.000.000,00 (one billion five hundred million Rupiahs) as referred to in paragraph (1) letter b figure 2 may be made only once or one (1) time when Participant reaches pension age.

Article 17

- (1) If Participant of DPPK exercising PPMP intending increase the amount of Pension Benefit that he/she obtains other than the Pension Benefit as committed based on the formula applies in PDP, the Participant may add his/her own contribution by issuing written statement to DPPK exercising PPMP.
- (2) The additional self-contribution referred to in paragraph (1) and the proceeds of development thereof shall be recorded separately from that of the recording of Pension Benefit based on PDP Formula.

Article 18

- (1) If Participant participating in DPPK exercising PPMP resigns from work after having participated for a period of at least three (3) years but not yet reached accelerated pension age, shall have the right to receive Postponed Pension which amount is equivalent to the amount computed based on Pension Formula for his/her participation up to the date of dismissal.
- (2) The right to payment of Postponed Pension for Participant resigning from work as referred to in paragraph (1) shall be payable effective as of the person concerned reaches accelerated pension age.
- (3) If the Participant resigning from work as referred to in paragraph (1) dies before he / she receives payment of Postponed Pension, the provision on the right to receive Postponed Pension shall apply if Participant dies.
- (4) If the Present Value of the right to Postponed Pension of the Participant resigning from work as referred to in paragraph (1) is less or equivalent to Rp.100.000.000,00 (one hundred million Rupiahs), the right to Postponed Pension shall be paid in lumpsum when the person concerned resigns from work.

Article 19

If the service years of Participant of DPPK exercising PPMP resigning from work is less than ten (10) years before reaching normal pension age, then as elected by Participant, the right to accelerated pension shall be:

- a. payment by DPPK exercising the PPMP concerned;
- b. payment of his/her Pension Benefit shall be postponed until he/she reaches the normal pension age;
- c. transferred to another DPPK; or
- d. transferred to DPLK.

Article 20

DPPK exercising PPMP shall pay Pension Benefit in lumpsum in contradiction to the provision referred to in Article 16, if Participant or the Rightful Party:

- a. is seriously ill and is in difficult financial position as supported by document evidencing such condition;
- b. is Indonesian citizen that changes his/her citizenship; or
- c. is foreign citizen whose service years expired and no longer works in Indonesia.

Article 21

DPPK exercising PPMP shall be obliged to provide to PDP contribution and Pension Benefit that at least pertains to:

- a. formula used in computing Pension Benefit as referred to in Article 4 paragraph (1), including factor that affects the computation thereof;
- b. limit of service years and component of Pension-based Income used in the formula for computing Pension Benefit;
- c. right of Participant to select means of payment of Pension Benefit in lumpsum;
- d. terms and conditions and amount of Pension Benefit payable in lumpsum;

- e. procedure for payment of Pension Benefit; and
- f. amount of contribution by Work Provider and Participant and amount of contribution by Work Provider if Participant refrains from contributing.

Article 22

PDP of DPPK exercising PPMP having Founder Partner with charging system to be borne by the respective Work Provider (non cost sharing), shall govern:

- a. different formula on Pension Benefit for the respective Work Provider; and
- b. different amount of Participant's contribution at the respective Work Provider.

Article 23

PDP shall also cover provision on selection provided to Participants to finance his/her service year during the course of vacation and not to be borne by Work Provider, either the normal contribution by Work Provider or by Participants.

CHAPTER III

PENSION FUND PROGRAM PROVIDED BY WORK PROVIDER

PENSION DEFINITE CONTRIBUTION

Part One

Pension Contribution

Article 24

- (1) Type of contribution for DPPK exercising PPIP shall be based on:
 - a. contribution as stipulated (money purchase plan); and/or
 - b. finance (profit sharing plan).
- (2) The additional contribution referred to in paragraph (1) shall be in the form of share ownership (employee stock ownership plan).

Article 25

- (1) Contribution to DPPK exercising PPIP based on contribution as stipulated (money purchase plan) as referred to in Article 24 paragraph (1) letter a shall consist of:
 - a. contribution by Work Provider and Participants; or
 - b. contribution by Work Provider.
- (2) The contribution referred to in paragraph (1) shall be in the form of percentage of Pension-based Income.
- (3) If Participant also contributes, the amount of Participant's contribution shall be:
 - a. minimum amount; or
 - b. certain percentage of contribution by Work Provider, not exceeding the amount of contribution by Work Provider.
- (4) If Participant intends to add its own contribution to upgrade development of his/her accumulated fund other than the contribution referred to in paragraph (3), Participant shall be obliged to issue written statement to DPPK exercising PPIP.

Article 26

- (1) Contribution by Work Provider at DPPK exercising PPIP based on profit (profit sharing plan) as referred to in Article 24 paragraph (1) letter b shall be in the form of percentage of profit gained by the Work Provider.
- (2) Formula on the amount of contribution as referred to in paragraph (1) shall declare a certain percentage of the Work Provider's profit in one (1) year before deducting Income Tax, to be paid as contribution by the Work Provider.
- (3) The percentage referred to in paragraph (2) shall be fixed as approved by the Work Provider at General Meeting of Shareholders or equivalent to General Meeting of Shareholders of Legal Enterprise other than limited liability company.

Article 27

- (1) Contribution by Work Provider at DPPK exercising PPIP in the form of share ownership (employee stock ownership plan) as referred to in Article 24 paragraph (2), namely a number of common shares and preference shares.
- (2) The shares referred to in paragraph (1) shall be in the form of company belonging to Work Provider.
- (3) Total number of shares referred to in paragraph (1) shall be determined based on Resolution of General Meeting of Shareholders.
- (4) If the Work Provider referred to in paragraph (2) is a public company, operation of PPIP in the form of share ownership (employee stock ownership plan) must comply with the provisions in the statutory regulation on Capital Market.

Article 28

PDP of DPPK exercising PPIP shall determine the difference of amount of contribution by the Work Provider booked / recorded in the name of the respective Participant with due observance of the principle of equivalence and justice.

Article 29

If a Participant of DPPK exercising PPIP resigns from work prior to have the right to Postponed Pension, the accumulated contribution of the Work Provider paid to DPPK exercising PPIP not constituting the Participant's right, shall be considered contribution of the Work Provider for other Participant.

Part Two

Pension Benefit

Article 30

- (1) Participant's Pension Benefit at DPPK exercising PPIP based on contribution as stipulated (money purchase plan) and/or profit (profit sharing plan) as referred to in Article 24 paragraph (1) shall be accumulated con-

tribution and transfer of fund from DPPK and other DPLK and the proceeds of its development.

- (2) Pension Benefit as referred to in paragraph (1), shall be computed based on the asset net value per unit (unit pricing).
- (3) Participant's Pension Benefit at DPPK exercising PPIP with contribution in the form of share ownership (employee stock ownership plan) as referred to in Article 24 paragraph (2) shall be a particular percentage of the total share ownership of the Work Provider granted to Participant.

Article 31

- (1) The proceeds of contribution development as referred to in Article 30 paragraph (1) must take into account the proceeds of investment development not yet realized (unrealized gain).
- (2) DPPK exercising PPIP shall be obliged to manage asset based on Participant's age (life cycle fund), provided that Participant that reaches the age of maximum five (5) years and minimum two (2) years before the normal pension age, the asset dedicated to the Participant shall be placed at:
 - a. conventional bank or bank based on Syariah principles;
 - b. term deposit at conventional bank or bank based on Syariah principles;
 - c. certificate of deposit at conventional bank or bank based on Syariah principles;
 - d. commercial paper issued by Bank Indonesia; and/or
 - e. State-owned commercial paper as recorded using method of amortized acquisition value.

Article 32

Participant of DPPK exercising PPIP at pension or at resignation of Rightful Party, may choose either to receive 20% (twenty percent) of the first Pension Benefit (at pension age or at termination;

Article 33

- (1) Participant or the Rightful Party at DPPK exercising PPIP has the right to choose payment of Pension Benefit in lumpsum if the amount of accumulated contribution and transfer of fund from DPPK and other DPLK and

the proceeds of its development as referred to in Article 30 paragraph (1) constituting the right of Participant or the Rightful Party in the amount of:

- a. less than or equivalent to Rp.500.000.000,00 (five hundred million Rupiahs); or
- b. exceeds Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs).

- (2) If the DPPK exercising PPIP adds contribution in the form of share ownership (employee stock ownership plan) as referred to in Article 24 paragraph (2), the acceptable value of the total number of shares possessed by the Participant shall be treated exceptional apart from the Participant's Pension Benefit in lumpsum as referred to in paragraph (1).
- (3) If the amount of payment of Pension Benefit is made in lumpsum exceeds Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs) as referred to in paragraph (1) letter b, such payment in lumpsum only applies to payment of excess difference of the Pension Benefit received after deducting Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs).
- (4) Payment of Pension Benefit in lumpsum exceeding Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs) as referred to in paragraph (1) may be made once or one (1) time when reaching pension age.
- (5) If Participant of DPPK exercising PPIP at pension or at termination from work and the Rightful Party chooses the first payment of Pension Benefit in lumpsum as referred to in Article 32, then such Pension Benefit referred to in paragraph (1) shall be computed after receiving the first payment of Pension Benefit.

Article 34

- (1) Participant of DPPK exercising PPIP in the form of share ownership (employee stock ownership plan) as referred to in Article 24 paragraph (2) may sell his/her share ownership.
- (2) If Participant sells his/her shares ownership referred to in paragraph (1) and further offers such shares to a Work Provider such Work Provider shall be obliged to buy-back the shares based on acceptable value of the company's shares.

Article 35

- (1) If Participant of DPPK exercising PPIP resigns from work after having served for three (3) years but not yet reaches accelerated pension age, Participant has the right to an amount of his/her own contribution at the Work Provider and the proceeds of development thereof for use to obtain Postponed Pension.
- (2) Participant resigning from work having the right to Postponed Pension as referred to in paragraph (1), may obtain Pension Benefit effective as of the person concerned reaches accelerated pension age.
- (3) If Participant resigns from work as referred to in paragraph (1), and dies before he/she receives payment of his/her Postponed Pension, the provision on Participant's rights applies if he/she dies.
- (4) If accumulated amount of Participant's contribution at the Work Provider and the proceeds development of contribution of the Participant resigning from work as referred to in paragraph (1) and fund transfer from DPPK and other DPLK is less than or equivalent to Rp.100.000.000,00 (one hundred million Rupiahs), payment of the right to Postponed Pension shall be made all at once when employee resigns from his/her work.

Article 36

- (1) If Participant at DPPK exercising PPIP resigns after working for less than ten (10) years before he/she reaches normal pension age, as chosen by Participant, his/her right:
 - a. to accelerated pension shall be paid by DPPK exercising the PPIP concerned;
 - b. to Pension Benefit shall be postponed until the person concerned reaches normal pension age;
 - c. shall be assigned to other DPPK; or
 - d. shall be assigned to DPLK.
- (2) If the Participant referred to in paragraph (1) chooses the right to accelerated pension is paid by DPPK exercising the PPIP concerned or payment of his/her Pension Benefit is postponed until he/she reaches normal pension age, the provision on payment of Pension Benefit all at once prevails, as referred to in Article 33.

Article 37

- (1) Management of DPPK exercising PPIP, at the request and choice of Participant, shall be obliged to purchase

annuity for life from Insurance Company, based on the requirements:

- a. annuity selected to provide Pension Benefit for widow / widower or child is minimum 60% (sixty per cent) and maximum 100% (one hundred percent) of the Pension Benefit received by Participant; and
 - b. annuity selected to comply with the provisions in the statutory regulation on Pension Fund and PDP of DPPK exercising PPIP.
- (2) The terms and conditions referred to in paragraph (1) letter a are not valid for purchasing annuity based on request and selection, on a widow / widower or a child.
- (3) If up 30 (thirty) days before payment of Pension Benefit, Participant still makes no selection as referred to in paragraph (1) and paragraph (2), management shall be obliged to purchase annuity for life that provides payments to widow / widower or child with amount equivalent to the amount of payment made to pensioners.
- (4) The selection of annuity made by the Participant shall be declared revoked if Participant dies before payment of Pension Benefit is made.

Article 38

- (1) DPPK exercising PPIP may pay Pension Benefit periodically to Participant and widow / widower or child.
- (2) Periodical payment of Pension Benefit as referred to in paragraph (1) may be made only as selected by Participant and the Rightful Party for a period of at least ten (10) years up to 25 (twenty-five) years as soon as Participant reaches normal pension age.
- (3) The payment referred to in paragraph (2) shall be made based on the provisions below:
 - a. payment of Pension Benefit shall be made by purchasing annuity for life from Insurance Company at expiry of periodical payment of Pension Benefit through DPPK exercising PPIP; and

- b. make initial reserve for purchasing annuity for life at Insurance Company and computed based on Assumed Actuary for maximum 20% (twenty percent) of Pension Benefit as adjusted to the term of periodical payment of Pension Benefit through DPPK exercising PPIP, before DPPK exercising PPIP make periodical payment of Pension Benefit.
- (4) If Pension Benefit is paid by DPPK exercising PPIP, PDP shall be obliged to provide:
- a. selection of periodical payment of Pension Benefit or annuity as selected by the Participant; and
 - b. procedure for payment of Pension Benefit by DPPK exercising PPIP.
- (5) If DPPK exercising PPIP makes periodical payment of Pension Benefit as referred to in paragraph (2), DPPK exercising PPIP shall be obliged to make assessment on Actuary at least once in three (3) years.
- (6) In the context of periodical payments of Pension Benefit, this must be guided by a Table on Formula prepared for conversion of the total accumulated contribution and the proceeds of development thereof to monthly payment.

Article 39

If the amount of Pension Benefit used to buy annuity for life as referred to in Article 38 paragraph (3) letter a is less than or equivalent to Rp.500.000.000,00 (five hundred million Rupiahs), such Pension Benefit may be paid all at once.

Article 40

DPPK exercising PPIP may pay Pension Benefit all at once in contradiction to the provision referred to in Article 33 paragraph (1) if Participant or the Rightful Party:

- a. is seriously ill and encounters difficult financial condition as evidenced by supporting document;
- b. is Indonesian citizen; or
- c. is foreign citizen whose service years expired and no longer working in Indonesia.

Article 41

- (1) DPPK exercising PPIP shall be obliged to mention in PDP that pertains to contribution and Pension Benefit at least on matters below:
- a. amount of contribution by Participants;
 - b. right of Participants to select payment of Pension Benefit all at once;
 - c. terms and conditions as well as amount of Pension Benefit payable all at once;
 - d. procedure for payment of Pension Benefit;
 - e. Participant's right to select type of annuity;
 - f. obligation of Work Provider to re-buy shares at acceptable value, if there is addition made to the nature of contribution in the form of shares ownership (employee stock ownership plan); and
 - g. procedure for payment of Pension Benefit by purchasing annuity from Insurance Company.
- (2) PDP from DPPK exercising PPIP shall state selection for payment of Pension Benefit periodically with direct payment by DPPK exercising PPIP.

Article 42

- (1) DPPK exercising PPIP making payment of Pension Benefit periodically shall be obliged to observe the principles on justification of assets and liabilities (matching assets and liabilities).
- (2) The asset referred to in paragraph (1) shall be in the form of:
- a. term deposit at conventional bank or bank based on Syariah principles; and/or
 - b. State-owned commercial paper recorded using method of amortized acquisition value.
- (3) DPPK exercising PPIP shall be obliged to maintain level of liquidity based on the due date of Pension Benefit.

CHAPTER IV

PENSION FUND FINANCIAL INSTITUTION

Part One

Pension Contribution

Article 43

(1) Contribution at DPLK shall cover:

- a. contribution by Work Provider and contribution by Participants;
- b. contribution by Work Provider; or
- c. contribution by Participants.

(2) Contribution at DPLK as referred to in paragraph (1) may be in the form of:

- a. minimum amount; or
- b. certain percentage of contribution by Work Provider but not exceeding the amount of contribution by Work Provider.

(3) Participant may at any time make additional amount to his/her own contribution in order to increase his/her accumulated fund in the development other than the contribution as referred to in paragraph (2).

Article 44

PDP of DPLK may stipulate different amount of contribution by Work Provider as recorded in the name of the respective Participant with due observance of the principles of equality and justice.

Article 45

(1) Work Provider that prior to including its employees as participants in DPLK that have collected funds either originating from Work Provider or from employees, may assign such funds to DPLK for and on behalf of the Participant.

(2) If the Work Provider referred to in paragraph (1) establishes DPPK exercising PPIP and intends to transfer the funds that have been collected at the DPLK, such DPLK shall be obliged to transfer the whole amount of funds that have been collected.

(3) The fund referred to in paragraph (1) and paragraph (2) must be transferred in lumpsum so that Participant may enjoy it when he/she is pensioned.

Part Two

Pension Benefit

Article 46

- (1) Pension Benefit Participant at DPLK in the form of fund covering amount of accumulated contribution paid-up in his/her name and transfer of fund from DPPK and other DPLK and the proceeds of its development.
- (2) The development proceeds referred to in paragraph (1) shall be computed for each Participant effective as of the recording of the fund at DPLK until payment is made to the Participant or at the purchase of annuity for life at Insurance Company.
- (3) The development proceeds referred to in paragraph (2) shall be computed using method of evaluation of net asset per unit (unit pricing).

Article 47

- (1) The development proceeds referred to in Article 46 paragraph (1) shall be accounted for as investment still unrealized (unrealized gain).
- (2) DPLK shall be obliged to manage all assets based on group of Participants (life cycle fund), provided that for Participants that reached maximum five (5) years and minimum two (2) years before normal pension age asset dedicated for such Participants shall be placed in:
 - a. Saving at conventional bank or bank with Syariah principles;
 - b. Term Deposit at conventional bank or bank with Syariah principles;
 - c. Deposit Certificate at conventional bank or bank with Syariah principles;
 - d. Commercial Paper issued by Bank Indonesia; and/or
 - e. State Commercial Paper registered using method of amortized acquisition value.

Article 48

Participants of DPLK at pension or at dismissal and for the Rightful Party, may elect to receive 20% (twenty percent) of Lumpsum of the first Pension Benefit.

Article 49

- (1) Participant or Rightful Party at DPLK shall have the right to elect method of payment Pension Bnerfit in Lumpsum or All At Once if the amount of accumulated contribution paid-up in his/her name and transfer of fund from DPPK and other DPLK as well as the development proceeds thereof as referred to in Article 46 paragraph (1) constituting the right of Participant or Rightful Party in the amount:
- a. less than or equivalent to Rp.500.000.000,00 (five hundred million Rupiahs); or
 - b. more than Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs).
- (2) If payment of Pension Benefit in the amount of Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs) or more is made in Lumpsum or All At Once as referred to in paragraph (1) letter b, payment in Lumpsum applies only for the excess difference of Pension Benefit received after deducting Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs).
- (3) Payment of Pension Benefit in Lumpsum in the amount above Rp.1.500.000.000,00 (one billion, five hundred million Rupiahs) as referred to in paragraph (1) may be made only once at entering pension age.
- (4) If Participant at pension age or at termination from work and the Rightful Party elects payment of Pension Benefit for the first time in Lumpsum as referred to in Article 48, the Pension Benefit as referred to in paragraph (1) shall be computed after taking his/her Pension Benefit for the first time.

Article 50

DPLK shall arrange withdrawal of particular amount of fund by Participant provided that:

- a. the fund withdrawn shall not exceed the amount of Participant's contribution prior to fund withdrawal;
- b. the fund to be withdrawn is fund originating from accumulated contribution that has been paid by such Participant, excluding contribution provided by Work Provider and proceeds of development of contribution by Work Provider and contribution by such Participant; and
- c. the fund transferred from DPPK may not be withdrawn by the Participant.

Article 51

- (1) The management of DPLK at the request of Participant going on pension, shall buy annuity for life from Insurance Company of his/her choice, provided that:
 - a. such annuity he/she elected provides 60% (sixty percent) minimum Pension Benefit for widow / widower or child and maximum 100% (one hundred percent) of the Pension Benefit received by Participant; and
 - b. annuity elected must comply with the provisions in the statutory regulation on Pension Fund and PDP of DPLK.
- (2) The requirements referred to in paragraph (1) letter a are not valid for purchasing annuity at the request and election of widow / widower or child.
- (3) If up to 30 (thirty) days prior to payment of Pension Benefit, Participant fails to make a choice as referred to in paragraph (1) and paragraph (2), the Management shall be obliged to purchase annuity for life that provides payments to widow / widower or child with equal amount as that of payment to pensioners.
- (4) The choice of annuity as elected by Participant shall be declared revoked if Participant dies before Pension Benefit is paid.

Article 52

- (1) DPLK may pay Pension Benefit periodically to Participant and the Rightful Party.
- (2) Pension Benefit as referred to in paragraph (1) may be paid periodically as elected by Participant and the Rightful Party for a period of ten (10) years up to 25 (twenty-five) years as soon as the Participant reaches normal pension age.
- (3) The payment referred to in paragraph (2) shall be made based on the provisions below:
 - a. payment of Pension Benefit shall be made by purchasing annuity for life at Insurance Company at expiry of periodical payment of Pension Benefit through DPLK; and

- b. provide reserve at initial purchase of annuity for life at Insurance Company computed based on Assumed Actuary, before DPLK makes periodical payment of Pension Benefit.
- (4) If DPLK pays Pension Benefit at DPLK automatically, PDP shall be obliged to:
- a. choose means of payment of Pension Benefit periodically or annuity that may be chosen by the Participant; and
 - b. method of payment of Pension Benefit by DPLK.
- (5) If DPLK pays Pension Benefit periodically as referred to in paragraph (2), DPLK shall be obliged to exercise assessment of actuary at least once in three (3) months.
- (6) If Pension Benefit is paid periodically, this must be based on the Table formulated to convert the total accumulated contribution and the development proceeds thereof to monthly payment.

Article 53

If the amount of accumulated contribution and development proceeds used to buy annuity for life as referred to in Article 52 paragraph (3) letter a is less than or equivalent to Rp.500.000.000,00 (five hundred million Rupiahs), such Pension Benefit shall be paid in Lumpsum or all at once.

Article 54

If accumulated contribution paid-up in his/her name and transfer of fund from DPPK and other DPLK and the development proceeds of Participant resigning from work is less or equivalent to Rp.100.000.000,00 (one hundred million Rupiahs), such Pension Benefit may be paid in Lumpsum when such employee resigns from work.

Article 55

DPLK shall pay Pension Benefit in Lumpsum by waiving the provision referred to in Article 49 paragraph

(1) if Participant or the Rightful Party:

- a. is in serious or difficult financial condition as evidenced by supporting document thereof;

- b. is Indonesia citizen that changes citizenship; or
- c. is foreign citizen whose work permit has expired and no longer working in Indonesia.

Article 56

- (1) DPLK shall be obliged to state in PDP pertaining to the contribution and Pension Benefit that at least cover the following:
 - a. right of Participant to determine means of payment of Pension Benefit in Lumpsum;
 - b. terms and conditions and amount of Pension Benefit payable in Lumpsum;
 - c. procedure for payment of Pension Benefit;
 - d. right of Participant to determine choice of annuity;
 - e. withdrawal of certain amount of fund by Participant; and
 - f. method of payment of Pension Benefit by purchasing annuity at Insurance Company.
- (2) PDP as referred to in paragraph (1) letter f shall state choice of automatic payment of Pension Benefit periodically by DPLK.

Article 57

- (1) DPLK making periodical payment of Pension Benefit shall observe the principle of justification of assets and liabilities (matching assets and liabilities).
- (2) The assets referred to in paragraph (1) shall be in the form of :
 - a. term deposit at conventional bank or bank with Syariah principles; and/or
 - b. State Commercial Paper recorded by method of amortized value of acquisition.
- (3) DPLK shall be obliged to maintain level of liquidity based on the due Pension Benefit.

CHAPTER V

OTHER BENEFITS

Article 58

- (1) Other than formulating pension program, DPPK and DPLK shall provide Other Benefits to Participants.

(2) Types of Other Benefits that may be provided to Participants are:

- a. educational fund for children;
- b. fund for housing;
- c. fund for religious activities;
- d. fund for supporting the invalid;
- e. fund for death remuneration ;
- f. fund for health remuneration;
- g. fund for remuneration; and/or
- h. fund for other benefits.

(3) Types of Other Benefits as referred to in paragraph (2) that may be provided:

- a. when Participant is still working; and/or
- b. when Participant is pensioned.

Article 59

Pension Fund may provide Other Benefits to Participant only if the Work Provider mentioned it in the joint work contract, in Company Regulation, or joint work agreement comprising provision on Other Benefits to Participant.

Part One

Payment to Participants

Article 60

(1) Type of Other Benefits payable to Participants when Participant is still working as referred to in Article 58 paragraph (3) letter a, such as:

- a. fund for children education;
- b. fund for housing;
- c. fund religious activity;
- d. fund for assisting the invalid;
- e. fund for death remuneration;

- f. fund for health remuneration; and/or
- g. fund for other benefits.

(2) Types of Other Benefits payable to Participants after Participants are pensioned as referred to in Article 58 paragraph (3) letter b, namely:

- a. fund for religious activity;
- b. fund for death remuneration;
- c. fund for health remuneration;
- d. fund for remuneration; and/or
- e. fund for additional benefits.

Part Two

Implementation

Article 61

- (1) Type of Other Benefits as referred to in Article 58 paragraph (2), except letter g, may be provided only to Participants that have participated in pension program at DPPK or the DPLK concerned.
- (2) Type of Other Benefits in the form of compensation as referred to in Article 58 paragraph (2) letter g may be provided only to:
 - a. Participants of DPPK; or
 - b. Participants of DPLK that participated in pension program or pension guarantee program.

Article 62

to be continued

(MA)

**BOARD OF COMMISSIONERS OF FINANCIAL
SERVICE AUTHORITY CONTRIBUTION, PENSION
BENEFIT, AND OTHER BENEFITS,
PROVIDED BY PENSION FUND**

**(Regulation of Financial Service Authority of R.I
Number 5/POJK.05/2017, dated March 1, 2017)**

**[Continued from Business News No. 9018-9019
pages 18-48]**

Article 62

- (1) Payment of type of Other Benefits as referred to in Article 58 paragraph (2) letter a through letter c may be withdrawn after a period if at least five (5) years of contribution and 100% (one hundred) of the collected fund.
- (2) Payment of the type of Other Benefits as referred to in Article 58 paragraph (2) letter d through letter f shall be made if Participant encounters mishap, dies, or is ill.
- (3) Fund for mishap remuneration referred to in Article 58 paragraph (2) letter d shall be provided in Lumpsum to Participants.
- (4) Fund for death remuneration referred to in Article 58 paragraph (2) letter e shall be provided in Lumpsum to the Rightful Party when Participant is still active, is pensioned, or dies.

Article 63

If Participant paid contribution for Other Benefits in the form of fund for mishap remuneration and fund for death remuneration until Participant is pensioned without any claim for benefit, then Participant has the right to receive reimbursement of the contribution together with its development proceeds less operational cost.

Article 64

- (1) If DPPK and DPLK exercising Other Benefits in the form of fund for health compensation as referred to in Article 58 paragraph (2) letter f, if there is short of fund, the short of fund shall be borne by the Work Provider or the Participant for independent worker.
- (2) Fund for health compensation shall be provided in joint operation with Insurance Company or by self-managing the.
- (3) Fund for health compensation may be provided after Participant is pensioned provided that it is exercised:
 - a. in Lumpsum; or
 - b. periodically, the administrator of DPPK and DPLK shall pay health benefit to Participants or in the form of premium or contribution for health compensation to Insurance Company.

Article 65

- (1) Contribution of fund for pension or termination compensation as referred to in Article 58 paragraph (2) letter g may only come from contribution by Work Provider.
- (2) Procedure for exercising fund for compensation for DPPK and DPLK must be exercised as follows:
 - a. Work Provider shall be obliged to provide and deliver to DPPK or DPLK, List of employees participating in fund for compensation and amendments thereof;
 - b. DPPK or DPLK shall be obliged to maintain and administer List of employees in administration system of DPPK or DPLK;
 - c. Work Provider shall register every employee participating in the fund for compensation at DPPK or DPLK by filling-in the Registration Form of Pension Program; and
 - d. fund for compensation shall be paid as instructed by the Work Provider and shall be paid only to Parti-

pant whose name is registered in the administration of DPPK or DPLK by first of all record the amount of fund in the name of the Participant concerned when the Work Provider terminates employment equivalent to the benefit as agreed upon in the contract or employment agreement between the Work Provider and the employee.

Article 66

To be able to implement Other Benefits as referred to in Article 58 paragraph (1), PDP of DPPK and DPLK shall be obliged to formulate procedure for providing Other Benefits that at least governs:

- a. type of Other Benefits;
- b. source of fund;
- c. obligation of Work Provider to finance Other Benefits;
- d. period of participation for Participants to enable receiving Other Benefits;
- e. amount of Other Benefits that Participants or the Rightful Party may receive; and
- f. time and procedure for payment of Other Benefits.

Part Three

Funding

Article 67

- (1) If DPPK and DPLK provide Other Benefits to Participants, DPPK and DPLK shall be obliged to split recording of Pension Benefit and Other Benefits.
- (2) If DPPK and DPLK provide Other Benefits to Participants, DPPK and DPLK shall be obliged to split recording the respective type of such Other Benefits.
- (3) DPPK and DPLK providing Other Benefits shall be obliged to compute the amount of contribution required to cover up the obligatory payment of Other Benefits made by actuary.

Article 68

- (1) Source of fund for DPPK and DPLK providing Other Benefits to Participants, namely:

- a. contribution by Work Provider;
- b. contribution by Participants; and/or
- c. certain percentage of development proceeds on pension program.

(2) The percentage referred to in paragraph (1) letter c may be taken into account at maximum 10% (ten) percent of the proceeds of development of pension program.

CHAPTER VI

OTHER PROVISIONS

Article 69

- (1) DPPK and DPLK shall be obliged to split the fund categorized as inactive fund.
- (2) Prior to splitting up non-active fund, DPPK and DPLK shall be obliged to endeavor to pay Pension Benefit to Participant or the Rightful Party effective as of Participant reaches normal pension age for at least one (1) year.
- (3) If up to expiry of the one (1) year period as referred to in paragraph (2) DPPK and DPLK still make no payment of Pension Benefit caused by:
 - a. existence or presence of Participant is unknown; or
 - b. Participant has no assignee as the Rightful Party or has assignee but his/her existence or contact address is unknown, the Pension Benefit thereof shall be categorized as non-active fund.
- (4) If up to 180 (one hundred-eighty) calendar days as of the split of fund is made, still no payment of Pension Benefit is made, DPPK and DPLK shall be obliged to deliver / hand-over the non-active fund to Probate Court (Balai Harta Peninggalan) in line with the provisions in the statutory regulation.
- (5) If DPPK and DPLK hand-over such fund to Probate Court as referred to in paragraph (4), then Participant of the Rightful Party to such fund shall ask for payment from the Probate Court.

Article 70

- (1) Pension Benefit for a child shall be paid until the child reaches the maximum age 25 (twenty-five) years.
- (2) PDP may formulate provision that if a child becomes invalid before passing the age limit for payment of Pension Benefit, Pension Benefit for such child shall be paid exceeding the amount for such age as stipulated in paragraph (1).

Article 71

If DPPK and DPLK are dissolved, payment of Pension Benefit in Lumpsum shall be made to Participant based on the provisions in the statutory regulation on Pension Fund.

Article 72

- (1) If Participant shall be Participant of DPPK and DPLK, by the time Participant reaches normal pension age or accelerated pension age, then:
 - a. Pension Benefit to be received from DPLK shall be paid in Lumpsum by waiving the provision referred to in Article 49; and
 - b. Pension Benefit to be received from DPPK shall be paid monthly by waiving the provisions referred to in Article 16 and Article 33.
- (2) The provision referred to in paragraph (1) letter b does not apply if accumulated Pension Benefit to be received from DPPK and DPLK when reaching normal pension age or accelerated pension age in the amount of less than or equivalent to Rp.500.000.000,00 (five hundred million Rupiahs), then the Pension Benefit from DPPK shall be paid in Lumpsum.
- (3) If Pension Benefit from DPPK exercising PPMP uses Monthly Formula, the balance of Pension Benefit in Lumpsum Formula must compute accumulated Pension Benefit as referred to in paragraph (2).

CHAPTER VII

ADMINISTRATIVE PENALTY

Article 73

- (1) Failure of DPPK and DPLK to comply with the provisions referred to in Article 61, Article 65 paragraph (2), Article 69 paragraph (1), paragraph (2), and paragraph (4) are subject to administrative penalty in the form of written reminder.
- (2) The imposition of administrative penalty in the form of written reminder as referred to in paragraph (1) for any type of violation is subject to maximum three (3) consecutive written reminders respectively one (1) month for each type of violation.
- (3) In the event that the Financial Service Authority considers that the type of violation committed is irreparable within the period as referred to in paragraph (2), the Financial Service Authority shall provide a longer period more than one (1) month but not exceeding one (1) year.
- (4) In the event that DPPK and DPLK are subject to administrative penalty until a third written reminder is issued, but no settlement is yet reached as to the penalty, the Financial Service Authority shall charge additional penalty in the form of:
 - a. degrading the result of risk assessment;
 - b. re-assessment of capacity and compliance with the Board of Supervisory, management, and/or management of operator on duty; and/or
 - c. issue of written notification to the Founder concerning replacement of members of the Board of Supervisory, Management, and/or management of operator on duty.

CHAPTER VIII

TRANSITIONAL PROVISION

Article 74

- (1) Provisions pertaining payment of Pension Benefit in Lumpsum as referred to in Article 16, Article 33, and Article 49 only apply to Participant who is pensioned as of the date this Regulation of Financial Service Authority is enacted.

- (2) Participant who is pensioned as of the date this Regulation of Financial Service Authority is enacted but no adjustment is made yet to PDP, payment of Pension Benefit in Lumpsum as referred to in Article 16, Article 33, and Article 49 shall be made based on this Regulation of Financial Service Authority.

Article 75

DPPK and DPLK shall be obliged to make adjustment on PDP to the provisions in this Regulation of Financial Service Authority on PDP within one (1) year as of the date this Regulation of Financial Service Authority is enacted.

Article 76

Effective implementation of the types of Other Benefits as referred to in Article 61 paragraph (2) letter b shall be dated December 31, 2019.

Article 77

DPPK and DPLK that have implemented Other Benefits as referred to in Article 58 paragraph (1) shall make adjustment to PDP based on the provision as referred to in Article 66 by December 31, 2017 at the latest.

CHAPTER IX

CLOSING PROVISION

Article 78

By the time this Regulation of Financial Service Authority takes effect, the provisions on Contribution, Pension Benefit, and Other Benefits implemented by Pension Fund are subject to this Regulation of Financial Service Authority.

Article 79

This Regulation of Financial Service Authority comes to force on the date it is enacted.

For public recognition, this Regulation of Financial Service Authority shall be announced by placing it in the Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

Dated March 1, 2017

CHAIRMAN OF THE BOARD OF COMMISSIONERS
OF FINANCIAL SERVICE AUTHORITY,

sgd.

MULIAMAN D. HADAD

Enacted in Jakarta

Dated March 6, 2017

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

sgd.

YASONNA H. LAOLY

STATUTE BOOK OF THE REPUBLIC OF INDONESIA
YEAR 2017 NUMBER 38

ELUCIDATION

OF

REGULATION OF FINANCIAL SERVICE AUTHORITY

NUMBER 5 /POJK.05/2017

CONCERNING

CONTRIBUTION, PENSION BENEFIT, AND OTHER BENEFITS

PROVIDED BY PENSION FUND

I. GENERAL

Law Number 21 Year 2011, concerning Financial Service Authority mandates that supervisory function and governing all activities on financial service operating in Indonesia are exercised by Financial Service

Authority, for the purpose that all financial services are exercised in good order, judicious, transparently, and accountable and capable to protect the interests of consumer and the public.

In line with the objective of Financial Service Authority, in principle Law Number 11 Year 1992, concerning Pension Fund endeavors to create fair and competitive Pension Fund so that Pension Fund may provide subsistence guarantee on post service income (pensioner) for old age welfare either for him/herself or his/her families.

Based on the developing economy at present and the developing system on manpower in Indonesia adjustment to regulation on Pension Fund particularly pertaining to contribution and Pension Benefit is required. Either of the adjustments that needs to be exercised shall be to provide the nature of Other Benefits that may be managed by Pension Fund. It is anticipated that such adjustment shall provide better developing the growth of Pension Fund.

II. ARTICLE BY ARTICLE

Article 1 through Article 8

Self-explanatory.

Article 9

Paragraph (1)

Letter a

What is meant by prorata computation shall be computation in proportion, in consideration of the recognition of the previous service year.

Letter b

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 10 through Article 13

Self-explanatory.

Article 14

What is meant by "principle of equivalence and justice" shall be principle based on different age, service year or terms of office of Participant, but not based on the subject.

Article 15 dan Article 16

Self-explanatory.

Article 17

Paragraph (1)

What is meant by "written statement" shall be statement made on Participant's own will to increase contribution in order increase the amount of Pension Benefit to be received by him/her.

Paragraph (2)

Self-explanatory.

Article 18 and Article 19

Self-explanatory.

Article 20

Letter a

Document evidencing that Participant or the Rightful Party is seriously ill and encounters financial difficulty, such as, in the form of Statement Letter from Hospital stating that Participant is seriously ill and Statement Letter by him/herself that is acknowledged by Village or Sub-District Chief that Participant is encountering difficult financial condition.

Letter b

Document evidencing that Participant or the Rightful Party changes his/her citizenship such as, Passport issued by other country.

Letter c

Document evidencing that Participant or the Rightful Party whose service year expires and no longer working in Indonesia such as in the form of Work Contract with the work provider stating that the party no longer works in Indonesia.

Article 21

Letter a and Letter b

Self-explanatory.

Letter c

What is meant by "selected means of payment of Pension Benefit in Lumpsum" shall be payment of the first Pension Benefit as referred to in Article 15 and/or payment of Pension Benefit as referred to in Article 16 paragraph (1).

Letter d through Letter f

Self-explanatory.

Article 22 through Article 32

Self-explanatory.

Article 33

Paragraph (1)

Self-explanatory.

Paragraph (2)

Example of computed simulation of DPPK exercising PPIP by increasing contribution in the form of shares ownership (employee stock ownership plan) that justifies with the example of simulation mentioned in

the Statement of Standard Financial Accountancy 53.

Paragraph (3) through Paragraph (5)

Self-explanatory.

Article 34

Paragraph (1)

What is meant by "may sell his/her shares ownership" namely, when Participant reaches pension age.

Paragraph (2)

Self-explanatory.

Article 35 through Article 37

Self-explanatory.

Article 38

Paragraph (1)

What is meant by "widow / widower or child" in this provision including widow/widower or child of Participant who dies during the course of periodical payment of Pension Benefit.

Paragraph (2)

If any Participant resigns from work but not yet reaches accelerated pension age or resigns from work after having reached accelerated pension age, computation of periodical payment of Pension Benefit effective as of the date of pension up to 10 (ten) years until 25 (twenty-five) years as soon as the Participant reaches normal pension age.

Paragraph (3) through Paragraph (6)

Self-explanatory.

Article 39 through Article 57

Self-explanatory.

Article 58**Paragraph (1)**

Other Benefits shall be selected additional to Participant.

Paragraph (2)**Letter a**

What is meant by "children educational fund" in this provision shall be fund collected from Work Provider and/or Participant used to for education of Participant's children that have reached school age at a certain level.

Letter b

What is meant by "housing fund" in this provision shall be fund collected from Work Provider and/or Participant used to pay advance payment or to buy a house or apartment used to live in.

Letter c

What is meant by "religious activity fund" in this provision shall be fund collected from Work Provider and/or Participant used for religious activity.

Letter d

What is meant by "fund for the disabled compensation" in this provision shall be fund collected from Work Provider and/or Participant paid in lump sum to fully and permanent disabled Participant causing somebody to be incapable to work for income that reasonable to be obtained commensurate with one's education, expertise, skill, and experience reasonable income.

Letter e

What is meant by "death compensation fund" in this provision shall be fund collected from work Provider and/or Participant used to for the interest of Participant by the time the Participant concerned dies, such

as burial cost and compensation to the Rightful Party.

Letter f

What is meant by "health compensation fund" in this provision shall be fund collected from Work Provider and/or Participant used to pay health premium security for Participant when the party concerned is pensioned.

Letter g

What is meant by "compensation fund" in this provision shall be fund collected from Work Provider used to pay compensation as governed in the provisions in the statutory regulation on manpower.

Letter h

What is meant by "additional benefit fund" in this provision shall be fund collected from Work Provider and/or Participant together with the development proceeds thereof to be paid to Participant.

Paragraph (3)

Self-explanatory.

Article 59 and Article 60

Self-explanatory.

Article 61

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

What is meant by "pension security program" shall be pension security exercised by Pension Program Institution managing public obligatory fund.

Article 62 through Article 68

Self-explanatory.

Article 69

Paragraph (1) through Paragraph (3)

Self-explanatory.

Paragraph (4)

Delivery of non-active fund to Probate Court supported by Minutes of Delivery of non-active fund and document of at least covering data of the Participant or the Rightful Party.

Paragraph (5)

DPPK and DPLK shall verify the data of the Participant or the Rightful Party pertaining to request for payment by Participant or the Rightful Party to Probate Court, or stipulation of the Rightful Party on non-active fund by Court Judgment.

Article 70 through Article 79

Self-explanatory.

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