

Indonesia

Indonesia: Pension system in 2008

Employees in private sectors are covered by a defined-contribution plan.

Key indicators

		Indonesia	OECD
Average earnings	IDR (million)	13.10	393.78
	USD	9 000	40 600
Public pension spending	% of GDP		7.0
Life expectancy	At birth	72.4	78.9
	At age 65	82.5	83.1
Population over age 65	% of working-age population	11.3	23.6

Qualifying conditions

Normal pension age is 55.

Benefit calculation

Defined contribution

Employees contribute 2% of earnings and employers pay 3.7% of the payroll. Pension is paid in lump sum or payable monthly up to a maximum of five years if the balance is more than IDR 3 million. For comparison with other countries, for replacement rate purposes the pension is shown as a price-indexed annuity based on sex-specific mortality rates.

Variant careers

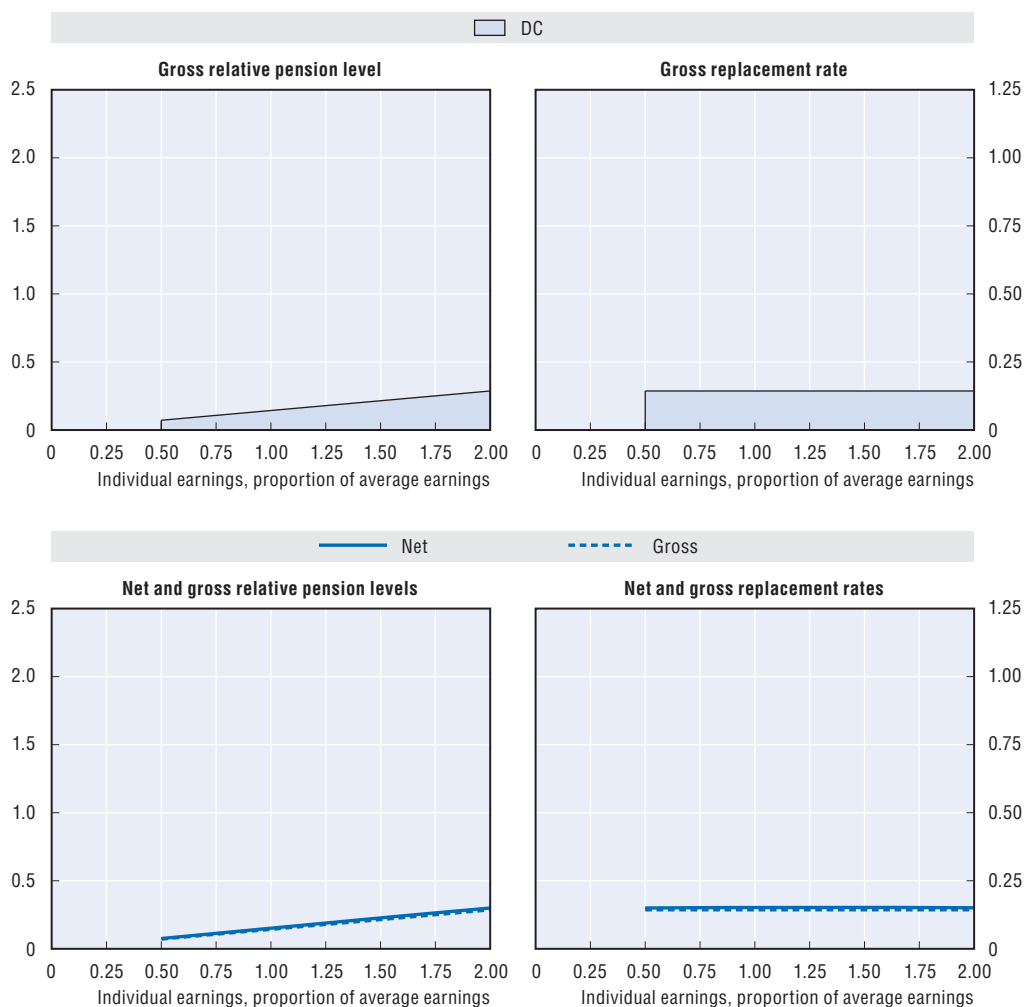
Early retirement

It is possible to start claiming pension at any age with a minimum of five years of contribution.

Late retirement

It is not possible to start claiming pension after normal pension age.

Pension modelling results: Indonesia



Men Women (where different)	Median earner	Individual earnings, multiple of average				
		0.5	0.75	1	1.5	2
Gross relative pension level	11.4	7.0	10.5	14.1	21.1	28.1
(% average gross earnings)	10.1	6.2	9.3	12.4	18.7	24.9
Net relative pension level	12.1	7.4	11.2	14.9	22.3	29.4
(% net average earnings)	10.7	6.6	9.9	13.2	19.8	26.2
Gross replacement rate	14.1	14.1	14.1	14.1	14.1	14.1
(% individual gross earnings)	12.4	12.4	12.4	12.4	12.4	12.4
Net replacement rate	14.8	14.7	14.8	14.9	14.9	14.8
(% individual net earnings)	13.1	13.0	13.1	13.2	13.2	13.2
Gross pension wealth	2.6	2.6	2.6	2.6	2.6	2.6
(multiple of individual gross earnings)	2.6	2.6	2.6	2.6	2.6	2.6
Net pension wealth	2.6	2.6	2.6	2.6	2.6	2.6
(multiple of individual gross earnings)	2.6	2.6	2.6	2.6	2.6	2.6

StatLink  <http://dx.doi.org/10.1787/888932371633>



From:
Pensions at a Glance 2011
Retirement-income Systems in OECD and G20 Countries

Access the complete publication at:
https://doi.org/10.1787/pension_glance-2011-en

Please cite this chapter as:

OECD (2011), "Indonesia", in *Pensions at a Glance 2011: Retirement-income Systems in OECD and G20 Countries*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/pension_glance-2011-84-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.