



Abstract

In 2004 Indonesian government enacted Law No 40/2004 on National Social Security System (Sistem Jaminan Sosial Nasional or SJSN Law). The law stipulated the pension benefits for all workers, which previously was the privilege of civil servants and armed forces only. Two objectives of this study are to explore the process of pension reform in Indonesia and examine challenges in expanding the pension scheme under BPJS Ketenagakerjaan. This study explores the protracted process of transforming the previous fragmented social security schemes into one integrated social security scheme which aims to provide pension benefits for the entire Indonesian citizen. Subsequently, this study attempts to examine problems and issues faced by BPJS Ketenagakerjaan in imposing the new pension scheme. This study mainly used secondary data and complemented by primary data obtained from a semi-structured interview with employers, employees and staffs form BPJS Ketenagakerjaan. From this study, I conclude despite going through a protracted reform process, BPJS Ketenagakerjaan encounters several challenges in the implementation of the pension scheme such as conflicting regulations, low coverage and inadequacy benefit.

Keywords: social security, pension, pension reform, sjsn, bpjs ketenagakerjaan