



Client Alert June 2024

Legal Framework on Public-Housing Savings (Tabungan Perumahan Rakyat – “TAPERA”)

Government Regulation Number 21 of 2024 on the Amendment of Government Regulation Number 25 of 2020 on the Implementation of Public-Housing Savings (“GR 21/2024”)

Background

In 2024, as an implementing regulation of Law Number 4 of 2016 on Public-Housing Savings (“**TAPERA Law**”), Indonesia has enacted amendment of the former implementing regulation of TAPERA Law through GR 21/2024 which partially amend Government Regulation Number 25 of 2020 on the Implementation of Public-Housing Savings (“**GR 25/2020**”) and has been in force since 20 May 2024.

The regulations set out further provisions in relation to the aspects of the management and the implementation of TAPERA program.

In principle, GR 25/2020 defines TAPERA as a saving program which conducted periodically by the participants under a certain of period of time and can be accrue for the benefits in the form of funds for housing purposes.

The funds in question can also be withdrawn after the relevant participation period has ended.

Overview

Under the GR 25/2020, TAPERA funds shall be defined as trust funds that belong to all TAPERA participants, which constitutes a collection of deposits along with its cumulative return on investment. The management activities of TAPERA involves the following aspects:

1. mobilization of TAPERA Fund;
2. investment of TAPERA Fund; and
3. utilization of TAPERA Fund.

It is important to note that pursuant to Article 5 paragraph 2 of GR 25/2020, the nature of TAPERA participation is mandatory for a worker and self-employed worker that is having an income that at least minimum wage. Participants of the program may be either Indonesian citizens or foreign citizens who are owning working visa which valid for at least 6 (six) months. In addition, GR 25/2020 also provides that the TAPERA participants shall fulfill the following criteria:

- a. worker and self-employed worker have an income for at least equal to minimum wage;
- b. self-employed worker with income of a less than minimum wage may join as participant; and
- c. have reached the age of 20 (twenty) years or have been married at the time of registration.

Participant of TAPERA Program

The TAPERA program is carried out by collecting funds from Participant, namely Employee and Freelancer. Pursuant to GR 25/2020, employee shall include the following:

- a. candidate of civil servant;
- b. state civil apparatus employee;
- c. soldier of the Indonesian National Armed Forces;
- d. candidate soldier of the Indonesian National Armed Forces;
- e. member of the Indonesian National Police;
- f. state official;
- g. worker/ employee of state-owned enterprises/ regional state-owned enterprises;
- h. worker/ employee of village-owned enterprises;
- i. worker/ employee of private enterprises; and
- j. worker that is not categorized as worker as referred to in point a to point i that receives salary or wage.

Under GR 21/2024, the employee that shall be included as TAPERA participants remain the same as the employees regulated under the GR 25/2020. However, GR 21/2024 introduces a minor addition under the elucidation of Article 7 paragraph (2) letter j of GR 21/2024 which provides that worker that is not categorized as worker as referred to in point a to point i that receives salary or wage shall also

include BP TAPERA officer, Bank Indonesia officer, Social Health Insurance Administration Body officer, and foreigner who works in Indonesia for a minimum of 6 (six) months.

Pursuant to GR 25/2020, every employee or freelancer who earns at least the minimum wage is obligated to participate in the TAPERA program. Whereas employee or freelancer who earns below the minimum wage is allowed to participate in the TAPERA program.

Foreign Employee Participation

In addition to the above, it is also mandatory for foreign employee that works in Indonesia for a minimum of 6 (six) months to participate in the TAPERA program.

Registration Process of TAPERA Program

Employee that will participate for TAPERA program, must be registered by the Employer to TAPERA Management Board (*Badan Pengelola* TAPERA – “**BP TAPERA**”). Freelancer, that will participate for TAPERA program can register themselves to BP TAPERA.

Upon the registration of the participant, every participant will be assigned with a participant identity number that will be determined and organized by BP TAPERA. The participation will be deemed valid upon the issuance of the participant identity number.

Participant Identity Number will serve as proof of participation of the TAPERA program, administrative records, savings, and access to TAPERA information.

Calculation Basis for the Premium or Savings of TAPERA Program

Under GR 25/2020, the premium or savings for the TAPERA program is set with 3% from the salary and/ or wage for worker participants and Income for freelancer, please see below the detail composition for the calculation basis of premium or savings of TAPERA program:

Employee		Freelancer	
Borne by the Employee	2.5%	Borne by the Freelancer	3.0%
Borne by the Employer	0.5%		

It is important for employer to understand and familiarize the mechanism to deducting salary/ wages of the employee to contributes to the TAPERA funds - as the employer will be required to register their respective employee at the latest 7 (seven) years after GR 25/2020 is enacted. Therefore, in 2027, every employer will be required to register their respective employee to the TAPERA funds.

Termination

GR 25/2020 provides that the TAPERA program participation will automatically ends if:

1. Entering retirement age;
2. Reaching age of 58 for freelancer;
3. Participant passed away; or
4. Participant is no longer fulfill the criteria as participant for 5 (five) years continuously.

To further elaborate on point 4 above, participant is deemed no longer fulfill the criteria as participant If the participant no longer obtain salary, wage or income in 5 (five) straight years due to disability or due to termination of relationship which can be proven with 5 (five) years straight with no premium or savings payments.



Key Takeaways

1. GR 21/2024 specifies foreigner who works in Indonesia for a minimum of 6 (six) months as mandatory to participate in the TAPERA program.
2. The Indonesian government has provided us with a solid legal framework for the TAPERA program from the (i) participant; (ii) registration process; (iii) premium or savings calculation; and (iv) automatic end of participation for TAPERA program. Since the employer will be required to register their respective employee at the latest 7 (seven) years after GR 25/2020 is enacted, every employer will be required to register their respective employee to the TAPERA funds by 2027.
3. It is noteworthy that with the increasing public attention to the TAPERA program, this does not rule out the possibility of any changes that can be made to the TAPERA program legal framework in the near future.

For further information and/or inquiries related to this alert, you may contact:

Stefanus Brian Audyanto

Partner

Deloitte Legal Indonesia

Email: saudyanto@deloittelegal-id.com

Tammy A. Wenas Kumontoy

Managing Associate

Deloitte Legal Indonesia

Email: tkumontoy@deloittelegal-id.com

Elroy I. Payangan

Senior Associate

Deloitte Legal Indonesia

Email: epayangan@deloittelegal-id.com

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

About Deloitte Legal

Deloitte Legal means the legal practices of DTTL member firms, their affiliates or their related entities that provide legal services. The exact nature of these relationships and provision of legal services differs by jurisdiction, to allow compliance with local laws and professional regulations. Each Deloitte Legal practice is legally separate and independent, and cannot obligate any other Deloitte Legal practice. Each Deloitte Legal practice is liable only for its own acts and omissions, and not those of other Deloitte Legal practices. For legal, regulatory and other reasons, not all member firms, their affiliates or their related entities provide legal services or are associated with Deloitte Legal practices.

About Deloitte Legal Indonesia

Deloitte Legal Indonesia is a member of Deloitte Legal network. Deloitte Legal Indonesia provides only legal services, and it is legally separate and independent from other Deloitte entities.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.