



INDONESIA



Hire international talent in **Indonesia**



EMERALDTECHNOLOGY



Employment details in Indonesia

To start growing your team in Indonesia, you must establish a local entity, including an account with a local bank, a local office and an address registered as a subsidiary. This allows you to manage payroll, tax, benefits and compliance for your employees, but can take several months.

Emerald Technology can hire and payroll your workers, quickly and compliantly with their ready to go entity. So no more worrying about compliantly managing your international payroll. We handle everything in over 150 countries.

Make growing your team simple with Emerald as a global partner.



Currency
The Rupiah (IDR)



Employer Costs
Estimated 10-11% of
employee's salary



Onboarding
48 hours with Emerald
Technology



Payroll Cycle
Monthly



Employer Costs

Cost	Rate
Health Security	4%
Social Security (Death in Service, Long-term disability, Medical benefits, Worker's compensation insurance, maternity and paternity leave, pension and unemployment)	JHT - 3.7% JP - 2% JKK - 0.24% JK - 0.30%

Benefits

Mandatory

Indonesian employers are required to offer the following benefits to all full-time employees:

- Death in service
- Long-term disability
- Short-term sickness
- Healthcare
- Worker's compensation insurance
- Maternity and Paternity
- Pension
- Unemployment

Additional

Some employers like to offer additional benefits to improve employee retention and satisfaction.

- Private Healthcare



Employment

Contract

Contracts in Indonesia must be in writing in the local language and can be bilingual. The contract must include:

- KTP (Personal ID)
- NPWP (Tax ID)
- KK (Kartu Keluarga/ Family Card)
- BPJS Ketenagakerjaan & Kesehatan
- Photo
- Latest CV
- Bachelor Degree Certificate
- Local IDR bank account
- Reference letter

Probation Period

A probation period allows both an employer and employee to evaluate the employment match. The probation period can be implemented up to a maximum of three months.

Emerald Technology can create a compliant contract in Indonesia in 24 hours.



Insurance

Healthcare

Employers are required to contribute 4% of employees' salary to the Health Care programme, with employees contributing 1%. For these contributions, salary is capped at IDR 8M per month.

Social Security

The social security in Indonesia covers the below:

- Death Insurance
- Healthcare
- Old Age
- Pensions
- Work accidents

Leave Policy

Maternity Leave

Under Indonesian law, businesses must give three month's paid maternity leave to pregnant employees, at least half of which must be taken after the birth.

Paternity Leave

Fathers in Indonesia working in the public sector are eligible for one month's paid paternity leave, while those in the private sector are granted two days.

Sickness Leave

Employees are entitled to 100% of their salary for their first four months of sickness. After this, their pay is reduced by 25% and an employer may terminate an employee who has been sick for 12 months. Sick pay is covered by the employer, not the government.

Onboarding

Details

As the legal employer, Emerald Technology requires the following employee documents to ensure complete compliance:

- Same documents detailed in the contract

Emerald Technology can onboard employees in Indonesia within 48 hours.



Resignation and Dismissal

Details

An employer can unilaterally dismiss an employee during their probation period or on the basis of disciplinary dismissal, performance, bankruptcy, acquisition or mergers, or inability to work on medical grounds.

Outside of this, if an employer chooses to dismiss an employee, it must be with just cause, such as by mutual agreement, expiration of the contract, or on completion of assignment. There is no required notice period for employers in Indonesia. Employees may resign with 30 days' notice.

Severance

Severance pay varies depending on the reason for dismissal:

·Standard severance pay: Employees that have worked less than a year are entitled to one month's wage. Employees that have worked for more than one year are entitled to one month's salary for each year of service (capped at nine months).

·Long Service Pay: Employees are entitled to two months' salary after the first three years of service, followed by an additional one month's salary for every three years of service thereafter (capped at 10 months for 24 years' service).

Statutory Time Off

Annual Leave

Full-time employees in Indonesia are entitled to a statutory minimum of 12 calendar days' annual leave per annum, once they have completed 12 months' continuous service.

Public Holidays

Indonesia has 15 public holidays.

- New Years Day
- Chinese New Year
- Isra 'Mi'rag
- Hindu New Year
- Good Friday
- Eid Al Fitr
- Waisak Day
- Ascension Day
- Eid Al Fitr Day 2
- Idul
- Pancasila Day
- Independence Day
- Islamic New Year
- Prophet Mohammad's Birthday
- Christmas Day

Ready to expand your workforce to Indonesia?

Book a free consultation with our experts today, [click here](#).



Work, Pay and Taxes

Minimum Wage

Indonesia's minimum wage is established by provincial and district authorities, which vary by province, district and sector. The Indonesian monthly minimum wage varies from IDR 1.1M in Central Java to 3.1M in Jakarta

Working Time and Overtime

The standard working week is 40 hours per week, split across either six days (seven hours per day) or five days (eight hours per day).

If employers require overtime, they must pay 1.5x the employee's regular wages for the first hour and 2x their regular wages for every hour after. The maximum overtime permissible is three hours per day or 14 hours per week. Senior level positions are excluded from overtime regulations.

Salary Payments

Salary payments in Indonesia are usually paid monthly and on the last working day, or another date stated in the employment contract.

Bonus

There is a statutory requirement to pay employees a 12th month salary which is called THR - a religious holiday pay to reflect the religious diversity in the country.

Income Tax

The individual income tax ranges from 5% - 30%.

Salary	Tax Percentage
0 - IDR 50M	5%
IDR 50M - IDR 250M	15%
IDR 250M - IDR 500M	25%
IDR 500M	30%



Discover how Emerald Technology can grow your international workforce risk-free.

Emerald is a global expansion partner, supporting B2B tech companies hire, onboard and payroll remotely across 150 countries. Handling local payroll, taxes, benefits and compliance in every region you want to expand your workforce.

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