

## **Seminar on the National Pension Schemes**

**4 – 5 June 2015**

### **Term of Reference**

#### **Background**

Indonesia is ready to start implementing the National Pension Program on 1 July 2015 with Defined Benefit scheme, similar to The National Pension Service in South Korea. The law has been passed and the National Pension Service (BPJS Ketenagakerjaan) has been established. All implementing regulations are in the final stages and are expected to be signed by the President before the program is implemented.

Currently Indonesia is entering the demographic dividends predicted until 2030 in which the dependency ratio of active labor forces and the non-productive ages is about 40%-50%. Many employers and labor unions have not been exposed and understood about the benefits of pension scheme for the future elderly in Indonesia. The number of elderly, above 60 years of age, is forecasted to increase from 15 millions at present to about 30-40 millions in 2030. The needs for pension income in the future will be high.

Lessons learned from other countries that have implemented pension schemes will increase the probability of compliance of pension scheme in Indonesia. In addition, Universitas Indonesia as the oldest and largest universities, with about 50,000 student body is opening program on Master in Social Protection in which capacity building for strengthening pension systems will be supported.

#### **Objective**

The main objective of this seminar is to convince stakeholders, particularly employers and employees to be comply with the new law in addition to disseminate information about the preparation to the implementation of the National Pension scheme. This seminar is also as a venue for learning and exchange of information on the experience of South Korea who have successfully implemented a pension plan, including the use of pension funds as an investment for development.

#### **Targetted participants**

The seminar is expected to be attended by 250 participants from various industries, including but not limited to investors, fund managers, employers, labor union, government officers, academias, and journalists.

#### **Speakers**

Speakers will be from OECD Headquarters Paris, OECD Korea Policy Centre, and NPS Korea. In addition, speakers from Indonesia will be Minister of Labor, Minister of Finance, Chairman of Indonesia Investment Coordinating Board, Parliament member, Chairman of the National Social Security Council, President Director of BPJS Ketenagakerjaan, Commissioner of Financial Services Authorities, President Director of PT Taspen, Indonesia Pension Funds Association, Employers' Association, and Labor Union.

### Time and Venue

The seminar will be held on June 4-5, 2015 in Borobudur Hotel, Jalan Lapangan Banteng Selatan No. 1, Jakarta, Indonesia (<http://www.hotelborobudur.com/>).

### Organizer

The main organizer of this seminar is the Center for Health Economics and Policy Studies(CHEPS) Universitas Indonesia. Co-organizer of this seminar should be OECD Korea Policy Centre, NPS Korea, BPJS Ketenagakerjaan, and Edelman.

### Press Conference

There will be two times of press conferences. The first press conference will be conducted on Thursday, 4 June 2015, and the second one will be on Friday, 5 June 2015. The first press conference will discuss pension funds and investment with the Minister of Finance, Chairman of Indonesia Investment Coordinating Board, and Financial Services Authority of Indonesia. The second press conference will discuss public pension program with Minister of Labor, President Director of BPJS Ketenagakerjaan, National Social Security Council, OECD Korea Centre, and NPS Korea.

### Dinner Meeting

On Thursday evening, there will be a networking dinner at Borobudur Hotel. It is an investor meeting in which fund managers, investors, and businessman can exchange information with partner from NPS Korea and OECD Korea Policy Centre.

### Others

A nominal charge will be applied for the participants. However, some sponsor or technical assistance will be needed.

### Time Table

THURSDAY, JUNE 4, 2015		
08.00~08.30	Registration	
08.30~09.00	Welcome Speech	<ol style="list-style-type: none"><li>1. <b>Hasbullah Thabrany</b> (Universitas Indonesia)</li><li>2. <b>Sulistiyowati Irianto</b> (Chairman of Postgraduate Program)</li><li>3. <b>Suk Kyu Lee</b> (Director General of Health and Social Policy Program, OECD Korea Policy Centre)</li><li>4. <b>Mark Pearson</b> (Deputy Director/ Directorate for Employment, Labour and Social Affairs/OECD)</li></ol>
09.00~10.00	Keynote Speech	<ol style="list-style-type: none"><li>1. <b>Mardiasmo</b> (Vice Minister of Finance). "Government policy in the Pension Fund Investment as Long Term Investments"</li><li>2. <b>Fara Ratna Dewi Indriani</b> (Representative of Indonesia Coordinating</li></ol>

		Investment Board). "The needs for Long-Term Investments and Current Compliance"
10.00~10.15	Coffee Break, Photo session, and joint press conference	
10.15~12.00	Panel Session 1: "Policy for the implementation of Old Age Pension Scheme" Moderator: <b>Angger P. Yuwono</b> (Member of National Social Security Council)	<ol style="list-style-type: none"> <li>1. <b>Rieke Dyah Pitaloka</b> (Member of Parliament). "Humanizing Workers through Retirement Security"</li> <li>2. <b>Chazali Situmorang</b> (Head of National Social Security Council). "Efforts of NSSC to Ensure the Eligibility of Worker Retirement Security"</li> <li>3. <b>Endro Sucahyono</b> (Representative of Social Security Administering Body on Employment/ BPJS Ketenagakerjaan). "Implementation of universal social security program in Indonesia"</li> </ol>
12.00~13.30	Lunch Break	
13.30~14.45	Panel Session 2: "Lesson learned from OECD" Moderator: <b>Isa Rachmatarwata</b> (Member of National Social Security Council)	<ol style="list-style-type: none"> <li>1. <b>Mark Pearson</b> (Deputy Director/ Directorate for Employment, Labour and Social Affairs/OECD). "Performances and Scope of Protections of Pensions System in OECD Countries"</li> <li>2. <b>Suk Myung Yun</b> (Head of Pension Research Center/Korea Institute for Health and Social Affairs). "Old-Age Income Security System in Korea: Policy Implication"</li> </ol>
14.45~15.00	Coffee Break	
15.00~16.45	Panel Session 3: "Pension Fund and Investment" Moderator: <b>Bambang Purwoko</b> (Member of National Social Security Council)	<ol style="list-style-type: none"> <li>1. <b>Tae Young Park</b> (Head, Fund Policy Analysis Division, National Pension Research Institute, NPS, Korea). "Investment Policies of Pension Fund in Korea"</li> <li>2. <b>Firdaus Djaelani</b> (Financial Services Authority of Indonesia). "Investment Policy of the Pension Fund in Indonesia"</li> <li>3. <b>Mudjiharno</b> (Indonesian Pension Funds Association) "Opportunities and Challenges in Investing the pension fund"</li> </ol>
16.45~17.00	Wrap up for Day 1	<b>Mundiharno</b> (Universitas Indonesia)
18.00~21.00	Business Talk on Dinner Meeting	
<b>FRIDAY, JUNE 5, 2015</b>		
08.00~09.00	Registration	
09.00~09.30	Keynote Speech	<b>Hanif Dhakiri</b> (Minister of Manpower). "How pension system protect employees and open wider job vacancies"
09.30~09.45	Coffee Break and press conference	
09.45~11.30	Panel Session 4: "Implementation of the	1. <b>Irianto Simbolon</b> (Director General of Industrial Relations Development and Manpower Social Security, Ministry of Manpower). "Correlation

	<p>Old Age Pension"</p> <p>Moderator: <b>Ahmad Ansyori</b> (Member of National Social Security Council)</p>	<p>between pension fund and employees's salary"</p> <p>2. <b>Faisal Rahman</b> (Representative of State Owned Enterprise for Pension and Old Age Saving for Indonesian Civil Servants/ PT Taspen). "Pension of Civil Servants"</p> <p>3. <b>Kyung Sik Kim</b> (Head, International Center, National Pension Service). "Lessons learned from the National Pension in Korea"</p> <p>4. <b>Hasbullah Thabrany</b> (Universitas Indonesia). "Fixed Benefit vs Fixed Premium: Myth or Fact?"</p>
11.30~13.30	Lunch Break	
13.30~15.30	<p>Panel Session 5: " Forum Discussion"</p> <p>Moderator: <b>Hasbullah Thabrany</b> (Universitas Indonesia)</p>	<ol style="list-style-type: none"> <li>1. Representative of Employers Association</li> <li>2. Representative of Labor Union</li> <li>3. Representative of Ministry of Manpower</li> <li>4. Representative of Social Security Administering Body on Employment/ BPJS Ketenagakerjaan</li> <li>5. Representative of National Social Security Council</li> </ol>
15.30~15.45	Coffee Break	
15.45~16.00	Conclusion and Recommendations	<b>HasbullahThabrany</b> (Universitas Indonesia)