

PRESS RELEASE**OJK PROMOTES PENSION FUNDS INDUSTRY
TO RAISE EMPLOYEE WELFARE IN INDONESIA**

Jakarta, April 25, 2017 — The Financial Services Authority (OJK) has been making efforts to see the pension funds industry enjoy higher growth, so the industry will be able to provide better, adequate welfare for workers, during their employment as well as retirement periods.

“The pension funds industry has been growing at a slow pace. Therefore, the OJK has a lot of stake in facilitating the industry’s future development,” OJK Deputy Chairman Rahmat Waluyanto said when he opened an international seminar on pension funds, *“25 Years Of Pension Savings – Way Forward For Next Quarter Century”* on Tuesday, in Jakarta.

According to Rahmat, the growth of the pension industry’s assets soared to 15.5 percent in 2016, from 7.06 percent in 2015. However, taking account of the fact that the Law on Pension Funds would be reaching its 25th anniversary, such growth was relatively small.

Therefore, the OJK saw that it should make collective efforts with other shareholders to deal with overlapping regulatory frameworks on employee welfare, conduct evaluation on, and revamp pension programs, so these programs would be able to synergize with other welfare programs for workers.

”This seminar is expected to be a platform for receiving feedback and exchanging ideas about how to develop Indonesian pension funds industry further,” he said.

Data from the OJK showed that as of December 31, 2016, non-bank financial institutions (IKNB)’ total assets stood at IDR 1,909.26 trillion, up 13.64 percent from those of 2015. The pension funds industry managed to bring 12.5 percent contribution, or IDR 238.3 trillion, to the figure.

In Indonesia, 4.47 million people have participated in the pension funds; the figure represented 6.37 percent of total workers in the country. As of February 2017, the funds’ total assets climbed to IDR 244.26 trillion from IDR 238.3 trillion in December 2016.

As of December 31, 2016, there were 9.13 million people that participated in the pension security program of the Workers Social Security Agency (BPJS Ketenagakerjaan). The program’s total assets worth IDR 13.8 trillion as 28 of February 28, 2017.

The seminar’s agenda for the first day listed the following topics: Evaluation Pension System - Indonesia Context, Delivering Pension and Saving Scheme Coverage to the Informal Sector, dan Fiscal and Other Incentives for Pension and Saving Schemes.

On the second day, the seminar discussed the following subjects: Harmonization in Regulatory Framework for Pension and Savings-Mandatory vs Voluntary,

Governance for Public and Private Pension Schemes and Challenges and Issues in Managing Investment of Mandatory and Voluntary Pension Schemes.

In addition to a World Bank consultant (a former APRA official) and a former official of Hong Kong's Mandatory Provident Fund Schemes Authority (MPFA), this seminar presented speakers from the World Bank, Pinbox Solutions (India), the Ministry of Finance, the National Development Agency (Bappenas), the Indonesian Pension Funds Association (ADPI), the Indonesian Financial Institutions Pension Funds Association (PDPLK), the Indonesian Employers Association (APINDO), the National Committee on Governance (KNKG), and PT Willis Towers Watson.

For more information:

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