

## Protecting Workers During the Pandemic

by Woro Nastiti



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In handling the impact of Corona Virus Disease (Covid-19), Minister of Manpower has issued several Regulations\*, one of which is regarding the guidelines of the granting of government assistance for workers. This Regulation aims to protect, maintain, and increase economic power of workers amidst this Covid-19 pandemic. The assistance is provided in the form of salary or wages given to the workers with a salary or wages below Rp5.000.000,- and with other conditions specified in the Regulation. Based on this Regulation, each worker who meets the requirements will receive money in the amount of Rp600.000,-

As mentioned above, there are several conditions that must be fulfilled by the workers to be entitled to receive the assistance. The recipients are the workers registered as active participant of social security program of BPJS Ketenagakerjaan. The data of active participant of BPJS Ketenagakerjaan will be verified and validated to set forth in a list of prospective recipient of the assistance, so that the workers will receive this assistance automatically if they qualify. BPJS Ketenagakerjaan will submit the list of prospective recipient to the Minister of Manpower and Budget User Authorizer/Kuasa Pengguna Anggaran (KPA) will determinates the eligible workers. Hereinafter, KPA Manpower. The Kuasa Pengguna Anggaran (KPA) will then determine who will receive the assistance and will direct the State Treasury Service Office to distribute the assistance directly into recipients' bank accounts. If a recipient is subsequently deemed to be ineligible, they must repay any amount received.

\*Minister of Manpower Regulation No. 14 of 2020

## COVID19: Tax Relief

by Michelle Noviangel

The Minister for Finance has enacted a number of regulations to ease the tax burden on certain taxpayers that are suffering financial loss due to COVID19. On 14 August 2020, the Regulation has extended and increased the relief available.\*



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The Government will waive Final Income Tax imposed on income from construction service businesses, obtained by taxpayers who receive the acceleration program for irrigation water use improvement (*program percepatan peningkatan tata guna air irigasi* or **P3-TGAI**) until December 2020. In connection with the said tax incentive, Regulation stipulates several obligations that must be carried out by tax withholder, such as submitting a report on the realisation of the Final Income Tax no later than the 20th of the following month after the tax period ends and making a tax payment letter (*surat setoran pajak*).

In addition, the Government will now waive 50% of Article 25 Income Tax installments until December 2020 (up from 30% in previous legislation). To qualify, taxpayers must fulfil certain criteria.

Employers or taxpayers who have submitted a notification to receive tax incentives based on previous regulations do not need to re-submit notifications and/or applications. Moreover, employers or taxpayers who have previously been approved to receive tax incentives can still receive the tax incentives until December 2020.

\*Regulation of the Minister for Finance of the Republic of Indonesia Number 110/PMK.03/2020 Year 2020 on Amendment to Regulation of the Minister for Finance of the Republic of Indonesia Number 86/PMK.03/2020 on Tax Incentives for Taxpayers Affected by the Corona Virus Disease 2019 Pandemic

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