



01. Does your country have a statutory retirement age, if so, what is it?



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Yes, but only for civil servants, which vary between 58 – 70 years depending on the positions and function. The retirement age for private sector employees is specified in the employee handbook, collective bargaining agreement, and/or employment contract, and typically ranges from 55 years to 65 years.

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02. Are employers permitted to specify a contractual retirement age within an employee's contract of employment?



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Yes. Since Indonesian labour law is silent on statutory retirement age for employees working in private sector, employers must determine the applicable retirement age in the employment contract, employee handbook, and/or collective bargaining agreement.

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03. What are the legal implications for employers that enforce a mandatory retirement age?



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There are no legal implications because employers may legally stipulate a mandatory retirement age in the employee handbook, collective bargaining agreement, and/or employment contract.

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04. Are 'early retirement incentive packages' allowed? If yes, are taxes imposed on them?



Indonesia

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Yes. While the labour law does not explicitly regulate early retirement, such arrangement is allowed, provided that the early retirement severance package formula and requirements are specified in the employee handbook, collective bargaining agreement, and/or employment contract. The severance package shall be subject to income tax as per the prevailing tax regulations.

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