

ASSA Recognition Award

- 1.1 The ASSA Recognition was first introduced by the Employees Provident Fund (EPF) of Malaysia in 2015. The purpose of the Award is to recognise ASSA member organisations' achievements.
- 1.2 The criteria and categories for the ASSA Recognition Award are as follows.

No.	Categories of Recognition	Description of the Categories
1.	Innovation Recognition Award	Creation of an innovative technology, product or service which has led to improvements in services or products.
2.	Transformation Recognition Award	A practice that has resulted in improvement in the overall effectiveness, efficiency, and success of the organisation.
3.	Customer Service Recognition Award	Organisations that have implemented successful customer service strategies which are able to meet customers' expectations in terms of delivery and quality of service.
4.	Continuous Improvement Recognition Award	Organisations that are in a never-ending effort to expose and eliminate root causes of problems. It usually involves many incremental steps towards improvements rather than one overwhelming innovation.
5.	Strategic Communication Recognition Award	Organisations that have pushed the boundaries when it comes to their communications strategy in order to ensure they truly engage with their members using various communication channels.
6.	Information Technology Recognition Award	Organisations that run their business using effective and reliable technologies that are essential to drive efficiency and productivity, and improve organisational outcomes and performance.
7.	Insurance Coverage Recognition Award	Insurance and social security schemes that have developed their proposition with a clear focus on retirement, health and meeting members' needs.
8.	Financial Literacy Recognition Award	Organisations that have introduced and provide advisory services on financial literacy and retirement planning to address issues on adequacy of members' savings for retirement.
9.	Investment Governance Recognition Award	Organisations that have reflected specific issues relating to the management of funds of social security institutions' objectives, ranging from the investment of benefits provided and also addressing issues on the adequacy of the fund.

1.3 The write-up should include the following:

WRITE UP TEMPLATE

CATEGORY	:	Investment Governance Recognition Award
ORGANISATION	:	BPJS Ketenagakerjaan (Indonesia)
CONTACT PERSON	:	depbid.apf@bpjsketenagakerjaan.go.id
NAME OF PROJECT	:	Sharia Services and Principles in the Implementation of Employment Social Security
OBJECTIVE AND NATURE OF PROJECT	:	• Increasing economic empowerment to create a just and prosperous economic society • Facilitate Muslim communities who care about the importance of implementing Sharia principles in every aspect of life. • provide benefits for non-Muslim communities to enjoy benefits based on Sharia principles to increase the scope of their membership to achieve universal coverage to attain a welfare state • develop the national Sharia economy and finance to reduce poverty and encourage economic equality.
WHY IT SHOULD BE RECOGNISED	:	From the Islamic economic perspective, the state should provide social protection and security for its people. The social protection guarantee scheme for the community is one of the fundamental things to fulfill Maqashid Syariah, especially life protection and wealth protection. The impact of Sharia services and principles for BPJS Ketenagakerjaan is important, considering that Indonesia is the country with the largest Muslim population in the world and a large potential workforce that is not protected by the employment social security program. Currently BPJS Ketenagakerjaan has allocated social security funds to Sharia investments so that when Sharia services and principles are launched nationally, BPJS Ketenagakerjaan has more experience and capabilities in managing Sharia investment funds.
SUMMARY OF THE PROJECT	:	Indonesia is a country with the largest Muslim population in the world. In 2021, the Muslim population in Indonesia will reach 87,2 percent or more than 231 million people. Since its implementation in 2021, the Sharia services and principles in employment social security still focus on the following objectives, first, to increase economic empowerment to create a just and prosperous economic society, to facilitate Muslim communities who care about the importance of implementing Sharia principles in every aspect of life, to provide benefits for non-Muslim communities to enjoy benefits based on Sharia principles to increase the scope of their membership to achieve universal coverage to attain a welfare state, and to develop the national Sharia economy and finance to reduce poverty and encourage economic equality. BPJS Ketenagakerjaan's sharia investment funds increased from Rp 138 trillion in 2022 to Rp 157 trillion in 2023, or an increase of 13.76%. This increase shows that although the services and principles of Sharia social security are currently only implemented in Aceh Province, in terms of investment management, BPJS Ketenagakerjaan has allocated its funds to Sharia-based instruments.

Sharia Services and Principles in the Implementation of Employment Social Security

Indonesia is a country with the largest Muslim population in the world. In 2021, the Muslim population in Indonesia will reach 87,2 percent or more than 231 million people. Since its implementation in 2021, the Sharia services and principles in employment social security still focus on the following objectives, first, to increase economic empowerment to create a just and prosperous economic society, to facilitate Muslim communities who care about the importance of implementing Sharia principles in every aspect of life, to provide benefits for non-Muslim communities to enjoy benefits based on Sharia principles to increase the scope of their membership to achieve universal coverage to attain a welfare state, and to develop the national Sharia economy and finance to reduce poverty and encourage economic equality.

The implementation of Sharia services in employment social security in Aceh Province is officially implemented after the existence of a governing regulation, namely, Regulation of the Employment Social Security Agency Number 2 of 2021 concerning "Sharia Services for the Employment Social Security Program in Aceh Province". Based on practice, the implementation of Sharia principles is first applied to the Old Age Security (JHT) program because of some of the characteristics inherent in this program, especially individual accounts, which allow segregation of fund management, namely applying separate principles with conventional principles.

BPJS Ketenagakerjaan has 11 branch offices in Aceh Province including, Lhokseumawe, Banda Aceh, Langsa, Meulaboh, Pidie Sigli, Central Aceh Takengon, South Aceh Tapak Tuan, Bireun Kota Juang, and Southeast Aceh Kutacane. All of these branch offices have a working area of more than one municipality or regency because the potential for contributions and participation in these municipalities or regencies tends to be small so that one BPJS Ketenagakerjaan branch office is considered capable of reaching more than one municipality or regency. However, the number of branch offices is reviewed and determined periodically considering that each region's potential membership and contributions are dynamic.

During the period 2018 - 2022 the payment of BPJS Ketenagakerjaan claims in Aceh Province has increased every year. Figure 1 shows that the payment of Old Age Security (JHT) claims dominates the payment of BPJS Ketenagakerjaan claims every year. Payment of JHT claims increased significantly in 2020-2022 due to the COVID-19 pandemic. In 2018 - 2019 the payment of JHT claims was still below 160 billion Rupiah, while in 2020 it increased more than 2 times, amounting to 380.07 billion Rupiah, and in 2022 it reached 595.13 billion Rupiah. Payment of JHT claims, in addition to maintaining the purchasing power of workers who have lost income due to the COVID-19 pandemic, payment of these claims can also support the economy of Aceh Province and the Indonesian economy affected by the COVID-19 pandemic through the consumption sector.

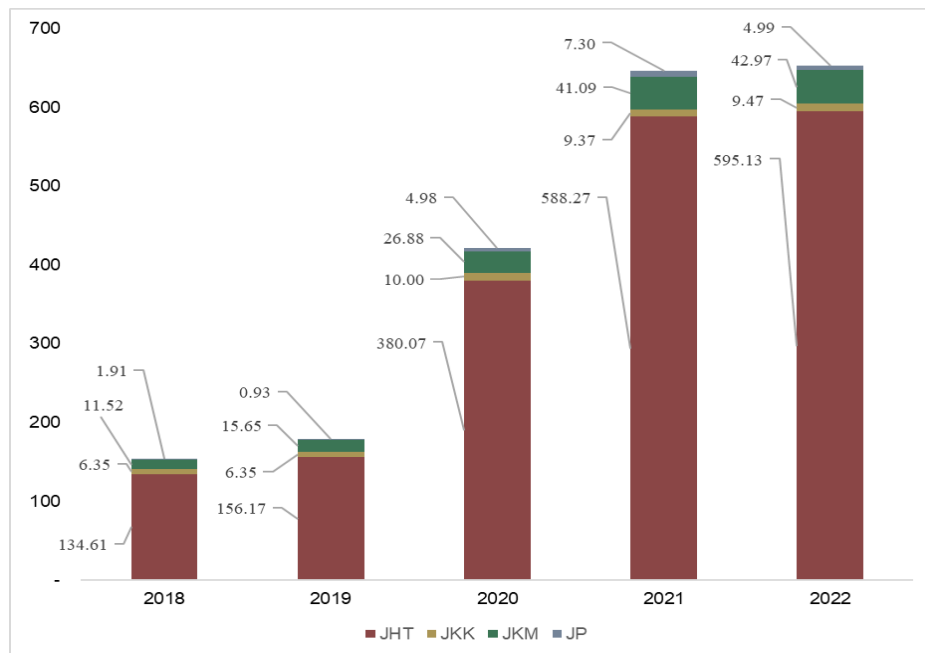


Figure 1 Payment of BPJS Ketenagakerjaan Claims in Aceh Province in 2018 – 2022 (billion IDR)
Source: BPJS Ketenagakerjaan (2023)

Figure 1 also shows that in 2018 - 2019 the payment of MFI claims was still below 16 billion Rupiah, while in 2020 it increased to 26.88 billion Rupiah, in 2021 it was 41.09, and in 2022 it reached 42.97 billion Rupiah. The COVID-19 pandemic resulted in many workers who died, thus encouraging the payment of JKM claims in 2020 - 2022. Payment of JKM claims is useful for protecting the families/heirs of workers who died from the risk of poverty and supporting the economy of Aceh Province during the COVID-19 pandemic.

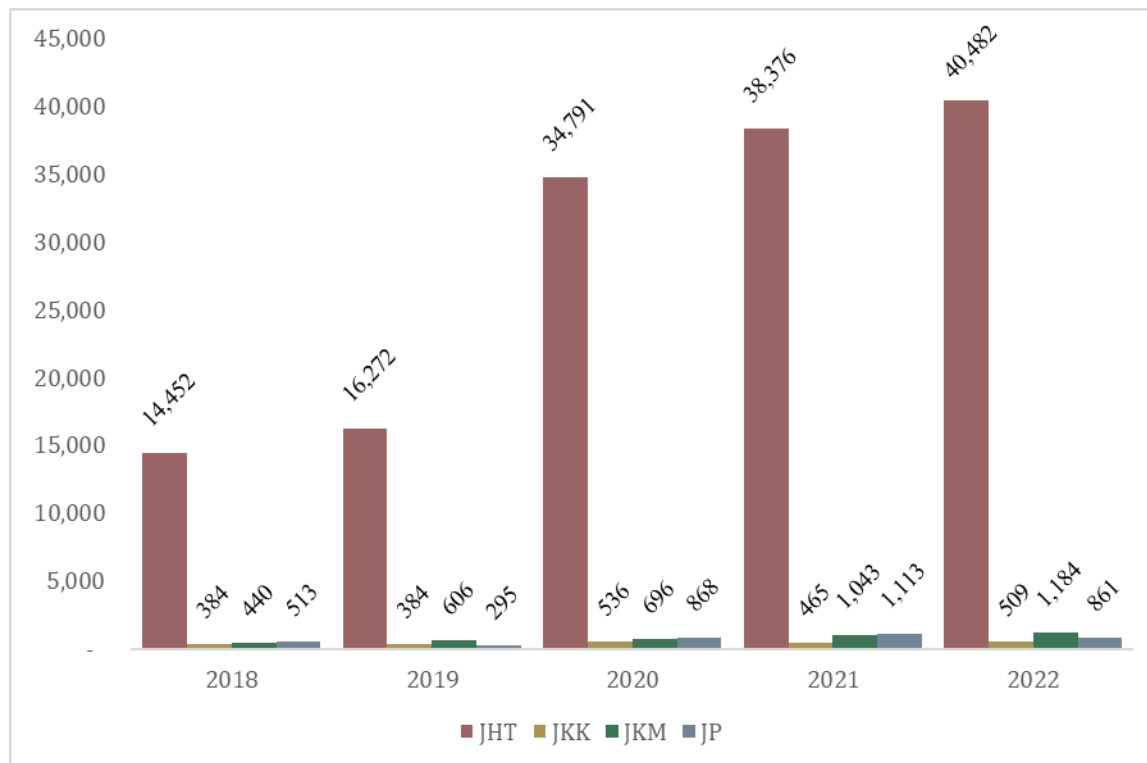


Figure 2 BPJS Ketenagakerjaan Claim Cases in Aceh Province in 2018 - 2022
Source: BPJS Ketenagakerjaan (2023)

Figure 2 shows that BPJS Ketenagakerjaan claim cases in Aceh Province in 2018-2022 increased every year. JHT claim cases dominate compared to the other three programs (JKK, JKM, and JP). In 2018 - 2019, JHT claim cases amounted to 14,452 and 16,272 cases respectively, then experienced a significant increase in 2020 to 34,791 cases. The increase in JHT claim cases still occurred until 2022 which reached 40,482 cases. The significant increase in 2020 and the increase that occurred until 2022 was the impact of the Covid-19 pandemic. Reduction of the workforce, bankruptcy, and closure of business entities, as well as a shift in the labor sector that is not quickly absorbed by the labor market, causes an increase in temporarily unemployed workers who choose to make JHT claims and has an impact on increasing JHT claim cases.

Based on Figure 2, JKM claim cases in Aceh Province in 2018-2022 increased every year. A significant increase occurred in 2021 by 50% or there were 1,043 claim cases, which previously in 2020 were only 696 claim cases. MFI claims cases in Aceh Province in 2022 increased by 13.5% to 1,184 claim cases. The significant increase in 2021-2022 occurred due to the large number of workers in Aceh Province who died due to covid-19 disease. Figures 1 and 2 show that the increasing trend indicates that workers can understand and utilize labor social security services as an effort to improve their welfare and that of their families, as well as a safety net from the dangers of poverty.

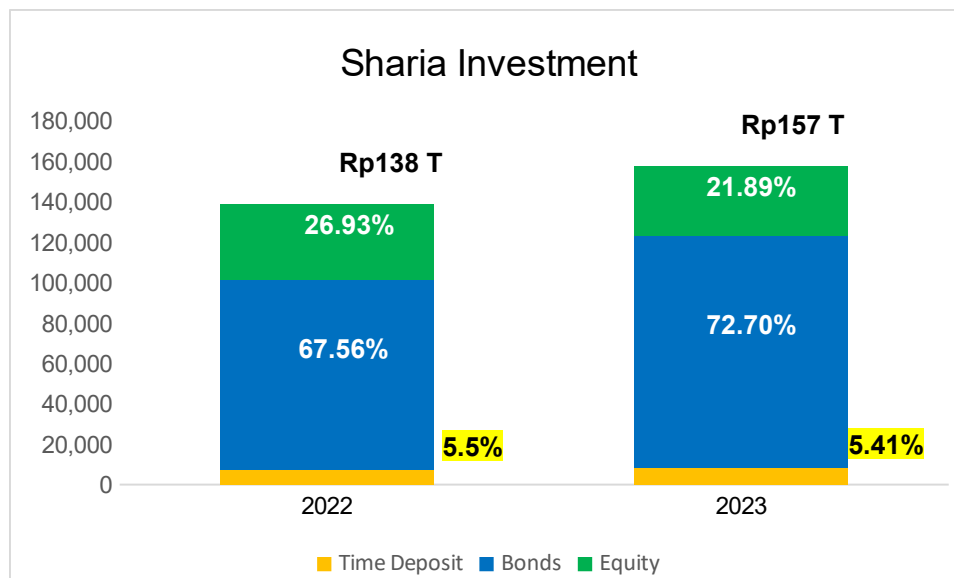


Figure 3 BPJS Ketenagakerjaan Sharia Investment in 2022 - 2023
Source: BPJS Ketenagakerjaan (2024)

Figure 3 shows that BPJS Ketenagakerjaan's sharia investment funds increased from Rp 138 trillion in 2022 to Rp 157 trillion in 2023, or an increase of 13.76%. This increase shows that although the services and principles of Sharia social security are currently only implemented in Aceh Province, in terms of investment management, BPJS Ketenagakerjaan has allocated its funds to Sharia-based instruments. This indicates that if Sharia social security services and principles are implemented nationally or throughout Indonesia, BPJS Ketenagakerjaan already has the experience and ability to manage social security funds into Sharia investments.