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GET TO KNOW THE FINANCIAL INSTITUTION PENSION FUND PROGRAM (DPLK)

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Abstract:
In general, humans hope for a prosperous life once they reach old age, but in reality, there are still many people whose old age could be more prosperous because they need income that can be used to meet their living needs. The bank pension fund (DPLK) pension program is a choice for planning retirement. Implementation of community service is carried out alternately with 3 or 4 participants per session. This is because the operational activities of PT Mitra Migas Sejahtera Semarang, which operates in Public Fuel Filling Stations (SPBU), must continue to run. Lack of socialization of financial institution pension fund pension programs by organizers, namely banks and insurance, so promotion needs to be increased so that the public can get information about financial institution pension fund pension programs. Only a few people have participated in this pension program, so promotion is needed to increase the number of participants in bank pension fund pension programs.

INTRODUCTION

One factor that encourages prospective workers to want to become civil servants or ABRI and Polri is the existence of pension benefits after completing their duties as civil servants, ABRI or Polri. They will receive this pension fund until they die. Even after they die, the pension will still be received by the retiree's widow or widower or their children if they are within a specific age limit or unmarried. With this pension guarantee, they will always have an income so that those who have entered retirement can meet their own needs without having to depend on their children, family or other parties for their livelihood.

In order to develop Indonesian people as a whole, employment development through increasing the dignity and self-respect of workers needs to be regulated separately. The government has established Law Number 13 of 2003 concerning Employment (UUK 13/2003) as the legal umbrella for all provisions in the field of employment. This law protects employees' fundamental rights and protection while working, and harmonious relations between employees, employers, government and society are enhanced. Enforcing regulatory transparency is hoped to improve the quality of human resources, productivity, and competitiveness of Indonesian products and expand employment opportunities.

Some existing laws and regulations governing employment are a product of the colonial period, which placed employees as objects in a disadvantageous position. One form of transparency and government attention outlined in this provision is the provision of severance pay for employees who stop working due to termination of employment. In the event of termination of employment, the entrepreneur or employer must pay a sum of severance pay and service gratuity and compensation for rights that the employee should receive. Specifically, the amount of severance pay is regulated in Article 156 of the Law. The calculation of the amount of severance pay is based on the achievement of the period of service and the amount of salary/wages; for example, the lowest

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value for a period of service of less than 1 (one) year is 1 (one) month's wages while the lowest value for a period of service of more than 8 (eight) years is 9 (nine) months wages. The payment of severance pay is made when the employee stops working at once because the philosophy of providing severance pay is financial assistance when the employee has to look for work after termination.

On the other hand, the government also pays attention to the fate of employees after they no longer work because they reach a certain age. In order to provide continuity of income after retirement and peace of mind at work, the government has enacted Law Number 11 of 1992 concerning Pension Funds (UUDP 11/1992). By implementing this UUDP, the collection, management and payment of money intended for employees who stop working after reaching a certain age is better regulated. As a new legal entity based on UUDP 11/1992 provisions, pension funds have the duties and functions of managing and running programs that promise pension benefits. The pension program funding system is carried out by deducting contributions from employees and employers, which are then invested in several investment instruments that enable the accumulation of sufficient funds to pay pension benefits to maintain the sustainability of participants' income in old age. Pension benefit payments are made when employees have reached a specific retirement age as stipulated in the pension fund regulations of each pension fund established by the company. The pension benefits participants are entitled to are based on the type of pension fund and the program they participate in.

The Employer Pension Fund (DPPK) is known as 2 pension programs, namely the Defined Benefit Pension Program (PPMP or Defined Benefit) and the Defined Contribution Pension Program (PPIP or Defined Contribution). Meanwhile, the Financial Institution Pension Fund is only known for 1 type of program, namely PPIP. The formula for retirement benefits in the PPMP is calculated based on a formula set out in pension fund regulations. The components consist of a particular award factor per year, years of service and basic pension income. The award factor is set at a maximum of 2.5% per year of service.

Meanwhile, for PPIP, the amount of pension benefits is based on the accumulated value of funds recorded in the name of each participant's account. Pension benefit payments are made monthly when the participant reaches accelerated retirement age (at least 10 years before the average retirement age). For participants who stop working but have yet to reach the accelerated retirement age, the pension benefit cannot be paid to the person concerned; the person must wait at least until the retirement age is accelerated.

The pension program is based on the theory presented by Ando-Modigliani (in Subardi and Dwiarto 1996) regarding the "Life-Cycle Hypothesis," which emphasizes the relationship between productivity, income and consumption. In this theory, the human life cycle is divided into three dimensions: 1. a low productivity period; 2. a period of high productivity; and 3. decreased productivity. A period of low productivity is experienced by people who have just been born until they earn income after completing their education. The period of high productivity is achieved after a person enters the world of work until retirement, namely approximately 20 years to 55 or 60 years. Meanwhile, a period of decreased productivity is experienced by people who enter age 55 or 60, namely when they enter retirement until they die.

When productivity is low, a person who has not yet entered the world of work will be supported by their parents or family. In the age of high productivity, a person is expected to not only be able to earn enough income for daily consumption costs but is also expected to be able to set aside a portion of their income for future needs, namely when entering retirement, which will result

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in them not receiving any more income from their company or place of work. Meanwhile, during times of decreased productivity, they have left their jobs, so they no longer have income, while consumption activities to meet their daily living needs are still necessary. In times like this, the pension program provides continuous income to pension program participants even though they are no longer working. In this way, welfare after retirement is maintained even though you do not receive a salary or wages but are replaced by receiving funds from the pension program.

The pension program has three functions: savings, insurance, and pension. The pension program functions as savings because pension program participants, to enjoy income in the form of pension funds during retirement, must pay regularly by deducting the income they earn so that they receive income after deducting pension contributions. Apart from that, in pension programs, companies sometimes make pension contributions to their employees to ease the burden on employees, which can also increase employee welfare and loyalty.

The pension program functions as insurance because the pension program is intended to protect someone who participates in the pension program from the risk of not receiving income after leaving the company and thus not getting a salary again. By joining the pension program, they will avoid the risk of not receiving any income. However, they will receive regular monthly income from the company or financial institution that organizes the pension program. Apart from that, to attract someone to join the pension program, there are financial institution companies, especially life insurance. It protects those who participate in the pension program but have yet to reach retirement age; if they die first, the insurance company will replace the monthly contributions that the participants have made. Finally, the function of the pension program is the pension itself, where pension program participants, after retirement, will receive the benefit of regularly receiving a certain amount of money every month until they die. In this way, pension program participants will not experience misery after leaving the company. They enter retirement because they will receive regular income from their participation in the pension program.

METHODS

The implementation of community service titled "Introduction of the Financial Institution Pension Fund Program at PT Mitra Migas Sejati Semarang" was held on Friday, 18 October 2024, at the PT Mitra Migas Sejati Semarang office. Implementation of community service is carried out alternately with 3 or 4 participants per session. This is done because the operational activities of PT Mitra Migas Sejahtera Semarang, which operates in Public Fuel Filling Stations (SPBU), must continue to run. The introduction of the Financial Institution Pension Fund Pension Program was carried out in the form of an interactive discussion between the Community Service Team and employees of PT Mitra Migas Sejati Semarang, which began with an explanation of the financial institution pension fund pension program by the community service team. In this discussion, the meaning of the financial institution pension fund pension program is explained, which financial institutions provide financial institution pension fund services or products, the benefits of participating in the financial institution pension fund pension program and how to become a participant or open a financial institution pension fund account.

RESULTS AND DISCUSSION

From these community service activities, it was discovered that many people still need to be made aware of the existence of financial institution pension fund programs. This condition must be followed up by disseminating information on financial institutions' pension fund pension programs.

The publication of financial literacy books by the Financial Services Authority, especially regarding pension programs in collaboration with the Ministry of Education aimed at students, needs to be appreciated. By socializing the pension program aimed at students, it is hoped that after graduating and working, they will be able to plan for the future, especially after retirement and participating in the pension program. More massive promotions target more Indonesian people, especially those already working and still needing employer pension guarantees. Financial institutions, especially banks, can be more active in promoting this pension program product to their customers who have yet to participate in the pension program.

There are few published research results on financial institution pension fund programs, especially those that examine the factors influencing people's interest in participating in pension programs. Rifanto, M (2017) examined service, promotion and product factors on public interest in pension programs and found that all of these variables had no effect. Sofyan, C (2023) examines the factors influencing interest in participating in a retirement program with independent variables: 1. Cultural, 2. Social, 3. Personal, 4. Psychological. This research found that only personal variables influence interest in a retirement program, while cultural, social and psychological variables do not influence interest in participating in a retirement program. Based on research results that have not been able to find the key factors that influence people's interest in participating in the pension program, research is still needed by proposing new variables, for example, knowledge, education level, income level and other variables that are thought to be able to motivate people to take part in the program pension.

To improve the welfare of pension program participants as they enter retirement, especially financial institution pension fund pension programs, which are defined contribution pension programs, reliable managers or investment managers are needed to optimize the development of the accumulated pension funds with maximum results but with acceptable risks. Pension program administrators of financial institution pension funds must explain and educate pension program participants about various investment alternatives by providing complete information about the potential benefits and risks. By understanding the various investment alternatives, participants can determine investment choices tailored to their ability to bear the risks faced by each pension program investment decision they participate in.

In order to provide benefits in developing pension funds, the government has also provided tax facilities where income tax on the results of developing pension funds is not collected every year but is collected at the end of the retirement period so that the development of pension funds becomes greater. The increase in pension funds means that when pension program participants enter retirement, they will also receive more considerable pension funds. The flexibility of disbursing pension funds, which can be disbursed all at once or received every month, is also an advantage for pension program participants.

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Figure 1.

Figure 2.

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Figure 3.

CONCLUSION

In connection with community service activities with the title introduction of the financial institution pension fund pension program at PT Mitra Migas Sejati Semarang, it can be concluded as follows :

1. PT Mitra Migas Sejati Semarang employees are included in the social security program at BPJS Employment.
2. All PT Mitra Migas Sejati Semarang employees are included in the health insurance program at BPJS Health.
3. Most PT Mitra Migas Sejati Semarang employees still need to familiarize themselves with the financial institution's pension program (DPLK) and have yet to participate.
4. PT Mitra Migas Sejati Semarang employees are interested in the financial institution's pension fund pension program.
5. Banks and insurance organizations have not socialized financial institution pension fund pension programs, so promotion needs to be increased so that the public can get information about them.

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